Alco Steps Up Drive To Rebuild Power... p. 19

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May 23, 1960

RAILWAY AGE *weekly*

↑ Piggyback impact tests and what they show... p. 16

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Telephone Fight

Who wants what in interconnection dispute at FCC?

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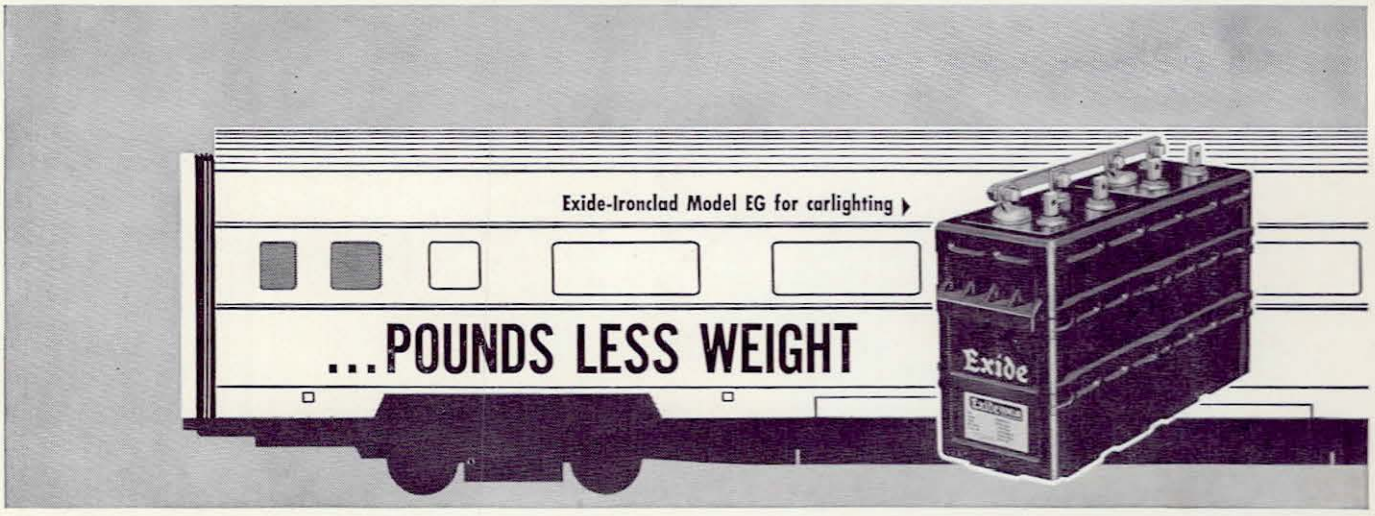

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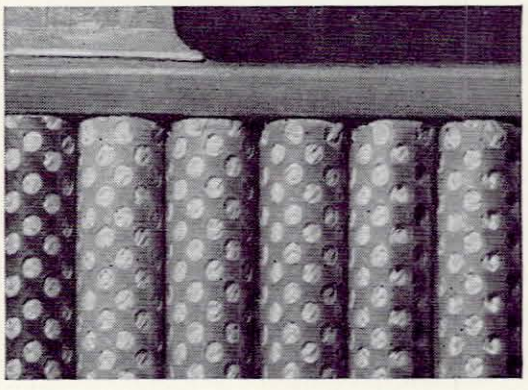

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PAYS FOR ITSELF, THEN PAYS YOU. All these benefits of a VELAC Automatic Classification Yard System help to save you money. The system actually pays for itself in a few years out of these cost savings. And then it continues to save you money . . . and brings in more business because it helps you speed deliveries.

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RAILWAY AGE *weekly* May 23, 1960 • Vol. 148, No. 21

Week at a Glance

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C&O, B&O move toward merger ..... p. 9

Directors of the two roads have reached a stock-exchange agreement in what could be a "first step" toward physical consolidation. Meanwhile, SAL and ACL have agreed on terms of a merger that would create a new road—the Seaboard Coast Line; Southern says it's merger-minded; and there are indications that an N&W-NKP merger plan may soon be ready.

Senate gets job-freeze issue p.10

A bill proposed by Illinois Senator Dirksen would make job-stabilization a non-bargainable issue. The bill provides that the phrase "terms and conditions of employment" and related language in various acts affecting railroad labor relations do not include the creation or discontinuance of jobs.

Cover Story—Piggyback passes ordnance impact tests p.16

Missile components and explosives can be safely transported by conventional TOFC equipment. This ability was demonstrated during a three-day series of tests at the Savanna, Ill., Ordnance Depot.

Cover Story—Alco steps up drive to rebuild diesels p.19

Rebuilding cuts operating costs and increases the economic life of motive power, says the company's president. Furthermore, remanufacturing costs may be only half or three-quarters of the price of a new unit.

US&S markets hotbox detector p.25

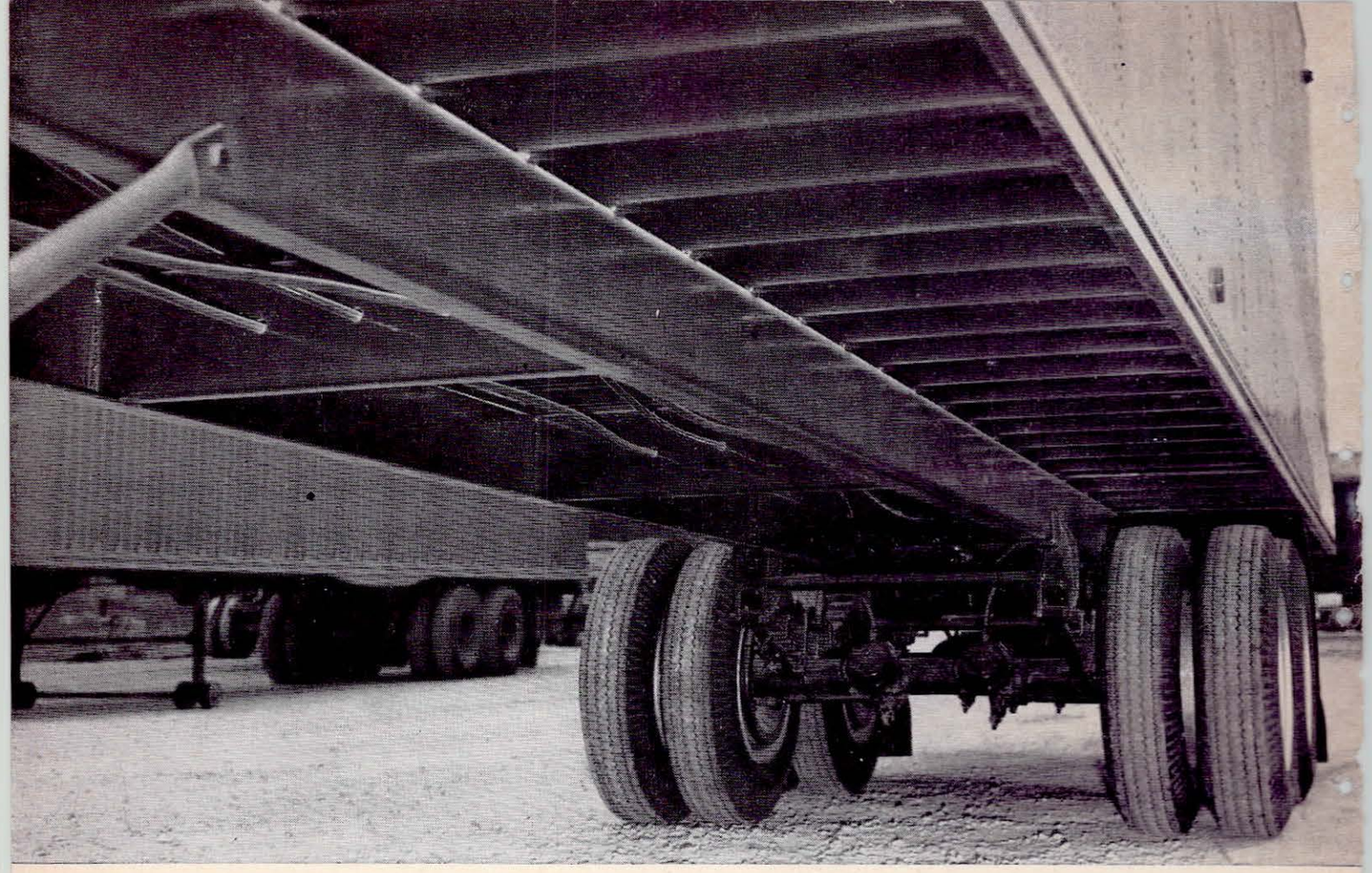
The device provides a complete record, on printed tape, of the hotboxes it detects. Recorded data includes the heat range, the side and location of the car on which the hotbox occurs, and the time of detection.

Cover Story—Telephone fight: Who wants what? p.30

Interconnection of railroad communications circuits with telephone company facilities has been under FCC scrutiny. New telephone company tariffs permit interconnection only under certain circumstances. They are emergencies involving safety of life or property, or when railroad facilities are in hazardous or inaccessible locations.

The Action Page—Grass roots interested in railroads p.42

There is evidence that many people are growing more and more dissatisfied with the course of events in transporta-



Piggyback trailer with underframe of USS High-Strength COR-TEN Steel fabricated by A. O. Smith Corporation. The trailer was built for the Wabash Railroad.

It takes a stiff backbone to ride piggyback

Piggyback trailers must take rough handling and abnormal loading—and while they need to be light for maximum payload, the frame must be extra strong to prevent damage.

To solve this problem, USS COR-TEN High-Strength, Low-Alloy Steel is used for the two 40′ long underframe side rails of these piggyback trailers. The steel was fabricated by the A. O. Smith Corporation, Milwaukee. USS COR-TEN Steel has been used for trailer frames ever since it came out in the early 1930's. It's the best steel on the market for this type of application, especially where you are shooting for low maintenance costs and minimum repair demands. These are made possible because of COR-TEN's high resistance to atmospheric corrosion and additional strength. USS COR-TEN offers a minimum yield point of 50,000 psi compared to 33,000 psi for the steel previously used.

After the last war, the emphasis was on maximum load with minimum truck and trailer weight. But as maintenance and repair costs mounted, many members of the trucking industry realized that only steel could provide the strength necessary to maintain low cost service life for their trailers. USS COR-TEN has solved the problem.

For railroad cars. USS COR-TEN Steel has long been used, not only to reduce dead weight and add strength, but also to provide extra life. Its atmospheric corrosion resistance is 4 to 6 times that of structural carbon steel. Paint lasts considerably longer on COR-TEN Steel and resistance to fatigue and abrasion is high. USS MAN-TEN and TRI-TEN High-Strength Steels are two other brands that can help to reduce weight in your cars. For more information about all three USS High-Strength Steels, write to United States Steel, 525 William Penn Place, Pittsburgh 30, Pennsylvania, or contact our nearest sales office.

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United States Steel

USS

Week at a Glance CONT.

Current Statistics

Operating revenues	
3 mos., 1960 ...	$2,410,965,646
3 mos., 1959 ...	2,389,964,223
Operating expenses	
3 mos., 1960 ...	1,913,146,741
3 mos., 1959 ...	1,909,302,375
Taxes	
3 mos., 1960 ...	266,237,113
3 mos., 1959 ...	248,387,179
Net railway operating income	
3 mos., 1960 ...	146,864,256
3 mos., 1959 ...	154,645,582
Net income estimated	
3 mos., 1960 ...	99,000,000
3 mos., 1959 ...	100,000,000
Average price railroad stocks	
May 17, 1960 ..	93.12
May 19, 1959 ..	109.01
Carloadings, revenue freight	
18 wks., 1960 ..	10,708,963
18 wks., 1959 ..	10,815,542
Freight cars on order	
May 1, 1960 ...	41,003
May 1, 1959 ...	35,479
Freight cars delivered	
4 mos., 1960 ..	19,429
4 mos., 1959 ..	10,964

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tion. Railroads can, to their advantage, accelerate the education of such critics of the nation's misguided transportation promotion policies.

Short and Significant

Striking dock workers . . .

in major Great Lakes ports put a crimp in St. Lawrence Seaway operations last week. By the end of the week, the walkout had spread to Chicago, tying up nine ocean vessels. Lake ships were not directly affected.

Santa Fe's "Go Now—Pay Later" travel plan . . .

goes into effect June 1. Available in ATSF traffic offices in 181 cities, the plan can be applied to the cost of rail tickets, Pullman accommodations, meal coupon booklets on "El Capitan," travel and baggage insurance and certain sightseeing trips—provided some part of the passenger's trip is via Santa Fe. The plan enables travelers to pay as little as 10% down and spread the balance of the cost over a maximum 24 months. Seaboard Finance Co. will handle financing of the plan.

Railroad technical mission to the USSR . . .

was postponed at the last minute last week because necessary visas didn't come through from the Russians. The 10-man delegation under AAR Vice President C. D. Buford had been scheduled to leave for the USSR May 19. Emphasizing that there had been no change in U. S. policy favoring such exchange visits, the State Department has proposed to the Kremlin that the trip be made June 20.

Guy L. Brown, BLE grand chief since 1953 . . .

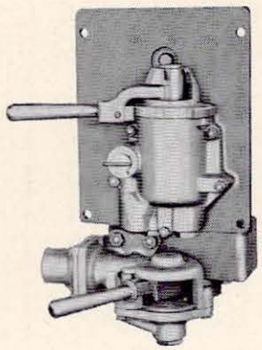
will step down July 31 and turn leadership of the organization over to 58-year-old Roy E. Davidson, first assistant grand chief for the past seven years, and a member of the arbitration board now studying the BLE wage case. Mr. Brown gained a reputation as a moderate among labor leaders during his term in office. On the work rules issue, in particular, he has been outspoken in advocating revisions to meet the needs of the times.

Mr. Davidson declined immediate comment . . .

on any plans he may have as heir to the top BLE job. Asked if the Engineers might agree to arbitrate the work rules issue (as they did with the wage issue), he termed it "a little premature to suggest arbitration," and added: "I certainly hope it won't be necessary to bring it to arbitration, but . . . I think it is too early to discuss the issue."

This is the new 26-L LOCOMOTIVE BRAKE

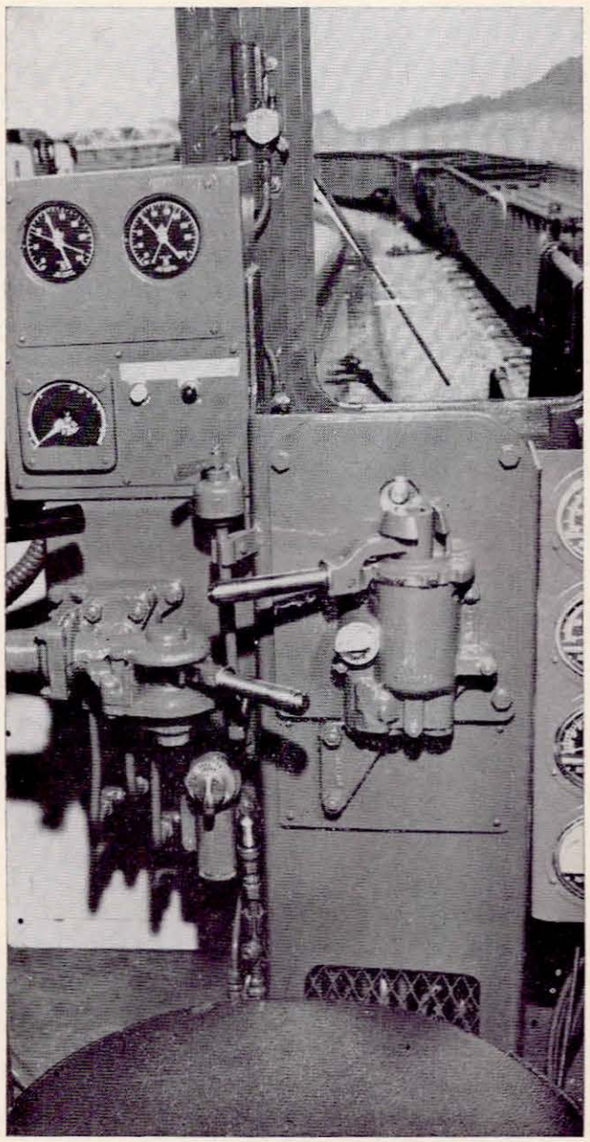
crowded for the space age



Smaller Package Makes Neat Cab

Panel or shelf-mounting occupies small cab area. Or, as shown in cab view, portions can be mounted separately.

Valvular parts are concealed behind panel. Piping reduced and concealed.



The new Westinghouse 26-L locomotive brake is so compact and light that it's just right wherever space and weight are at a premium. *Ask the man in the cab!*

But, space-saving is merely a convenience. The big advantages of this new, *advanced* brake are its light weight and simplicity of design. 26-L has no rotary valves. 26-L has no rings or ring type pistons. 26-L has no slide valves. *And maintenance time and costs have been reduced to a minimum through the elimination of skilled hand fitting of metallic rings and slide valves!*

Yet, even as small as it is, the compact 26-L is fully as efficient and fully as dependable as the larger and heavier equipment which has long been the accepted standard. The new 26-L brake operates in complete harmony with existing types of freight and passenger locomotive equipment in service today.

Any way you figure it, the new 26-L locomotive brake is a good investment. Its performance has been proven in actual service on approximately 2,000 locomotives now operating. Lower initial and maintenance costs, plus such modern features as pressure maintaining, warrant consideration in locomotive modernization programs. If you have not already looked into this advanced equipment, ask for detailed information today.

Westinghouse Air Brake
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C&O, B&O Move Toward Merger

► **The Story at a Glance: Railroad merger moves jumped into front-page prominence last week with major developments on at least four fronts:**

- **Late Wednesday, C&O President Walter Tuohy and B&O President Howard E. Simpson revealed that B&O directors had approved a stock-exchange proposal advanced by C&O. If shareholders concur, it would be a "first step" toward merger of the two roads.**
- **Thursday afternoon, SAL and ACL directors announced agreement on terms for a merger of the two roads into a new company to be known as the Seaboard Coast Line Railroad Co. ACL President W. Thomas Rice would become president and SAL President John W. Smith would become chairman of the merged property.**
- **Elsewhere last week, President Harry A. DeButts told stockholders at the Southern's annual meeting on Wednesday that that road is merger-minded and has some ideas of its own; and rumors in financial circles hinted at early submission to directors of a concrete merger proposal for N&W-Nickel Plate. Officers of the two roads would not comment.**

The sudden upsurge in merger activity in the past seven days produced at least one mystery: where does the New York Central fit into the picture, if at all, in what could be a fairly early wedding of the Chesapeake & Ohio and Baltimore & Ohio?

Initial reports, confirmed only two weeks ago (RA, May 9, p. 22), said B&O and C&O were engaged in merger "discussion." The two roads confirmed this. But the Central, which was linked with the other two roads in these early reports, would not comment. The road maintained this position last week, following a couple of rapid moves by the other two carriers:

- C&O directors on May 16 submitted a letter to the B&O president and board, offering to exchange C&O common stock, on a share for share basis, for B&O preferred; and offering one share of C&O common for each one and three-quarters shares of B&O common. The deal would involve some 4,500,000 C&O shares if all B&O stock were exchanged.
- B&O directors met in New York May 18 and approved the proposal for submission to B&O shareholders with a recommendation that it be accepted.
- Presidents of the two roads issued a joint statement after the B&O meeting in which they described C&O's proposal as "the first step toward a merger of the two properties."

It was pointed out that the proposal would also require approval by C&O shareholders and the ICC. The joint announcement made no mention of NYC, nor would any of the roads elaborate on this point.

The C&O proposal appeared, to some observers at least, as a move which could speed physical merger of the properties. With the question of control resolved, the two carriers could expedite the working out of details for actually combining the roads into a single system.

This is a route similar to that followed by L&N in its merger with NC&StL a few years back. It seems also to parallel, in form, C&NW's recent proposal to acquire the M&StL (RA, April 11, p. 5).

As these developments were pointing to a possible new major rail system in the East, a potential change of equal size reached a decision point in the Southeast.

The ACL and SAL, which embarked on merger studies in 1958, came up with a plan which went to the respective boards of directors last Thursday.

Verdict: Agreement on merger terms, with the plan being submitted to shareholders of the two roads for vote later this year. It also will be subject to ICC approval.

Big item in this plan, which was developed in an 18-month study by the two roads and outside consultants, is the estimated annual savings of $38,700,000 (before taxes) which can be realized within five years.

A statement issued by ACL and SAL directors following the meeting last week said as much as 50% of total savings "may be accomplished by the end of the second year."

Under terms of the ACL-SAL agreement, stockholders of SAL would retain present shares (equivalent to a share-for-share exchange) while ACL owners would receive 1.42 shares of the merged company in exchange for each ACL share. All directors of the two roads would be retained, comprising a 26-man board for the unified company.

The joint statement of the two boards went on to point out that competition from subsidized forms of transportation, together with constantly increasing costs of doing business, make it essential that increased efficiency and economy be effected in rail transportation.

"The merger of Seaboard and Coast Line will provide opportunity for more efficient use of motive power and equipment and the achievement of economies through elimination of duplicate facilities as well as savings in traffic and in general expenses and equipment rentals.

"Merger of the two properties should produce a unified company with strong financial resources and consequent increased ability to meet the transportation needs of the rapidly growing territory now served by the two roads."

Four Railroads at a Glance

	Miles of Track	Locomotives	Freight Cars	Passenger Cars	Miscellaneous Cars
C&O	5,122	948	97,878	348	2,596
B&O	5,917	850	94,056	901	2,756
		*	*	*	
ACL	5,610	596	29,468	568	1,316
SAL	4,147	526	28,298	455	1,173

Rail Job-Freeze Issue Goes to

► **The Story at a Glance: Senator Dirksen of Illinois has introduced a bill in Congress to take the job-freeze issue away from the collective bargaining table. He submitted the bill in response to a Supreme Court decision which held that, under existing legislation, union job-freeze demands were bargainable, and not subject to strike injunctions.**

Meanwhile, the Supreme Court last week turned down a petition for a rehearing of the case, which involved C&NW's dispute with the ORT over job-freeze proposals growing out of North Western's Central Agency Plan.

In a 5-to-4 ruling April 18, the Supreme Court held that a union demand that no position be abolished without its consent is a bargainable issue under the Railway Labor Act (RA, April 25, p. 9). The court also held that under the Norris-LaGuardia Act, an injunction against strikes called to enforce such demands cannot be issued.

A strongly-worded dissent warned that the effect of the decision could be to "destroy the public regulation of abandonments, provided and contemplated by Congress in the public interest, and render them subject to the union's will alone."

But the majority decision said that Congress alone had the power to alter "the scope" of the applicable legislation. Last week, the Senate Republican leader asked Congress to do just that.

S-3548 is Senator Dirksen's bill to clarify the intentions of Congress concerning railroad labor relations.

Referring to the Supreme Court decision in the Chicago & North Western-Order of Railroad Telegraphers case, Senator Dirksen said the railroad believed that "in the interest of efficient operation it should close quite a number of its way stations because, first, they did not pay their way, and, second, because those who manned these operations were putting in so little time in the course of a day, they felt it imperative, in the interest of efficient transportation, in the interest of the stockholders and in the interest of management that the stations be closed.

"Subsequently there was a strike,"

Watching Washington *with Walter Taft*

• **RAILWAY EQUIPMENT MANUFACTURERS** and Commerce Department officials met last week to discuss problems connected with export sales. Object of the meeting was to develop possible action the government might take to promote foreign sales. The meeting was the twelfth of a series conducted by the department with major export industries.

EXPORT SALES in 1959 accounted for over $120 million, or 5.9% of the total sales (less fuel) of $1,921,059,360 chalked up by the railway equipment, component and supply industry. Locomotives accounted for 36.3% of export sales and cars another 10.7%. Other categories were: other transportation equipment and parts, 9.9%; signal parts and accessories, 8.6%; air brake equipment and parts, 7.9%; rails, 5.7%; track accessories, 4.3%; tires, wheels and axles, 3.5%, and miscellaneous, 13.1%.

EXPORT PROBLEMS of the rail supply industry differ from those of many other U.S industries in one important respect, Commerce Department officials were told. Outside of the United States, most railroads are owned or operated by their governments, which means that there is generally only one potential customer in each foreign country.

CAR BUILDING INDUSTRY, through a prepared statement presented by R.R. Baker, president of the American Railway Car Export Association, told the meeting that during the 10-year period 1946 through 1955, U.S. commercial car builders produced for export an average of 6,247 freight cars per year (11.6% of total freight-car production). From 1956 through 1959, yearly average of cars for export dropped to 663 (1.7% of total production).

FIVE REASONS WHY American car builders cannot compete with foreign car builders on the basis of price were cited: (1) U.S. labor rates are up to 7 times higher here than abroad; (2) use of obsolete specifications requires non-standard car building practices, which may boost prices as much as 18%; (3) many foreign governments subsidize equipment built for export, which reduces quoted prices; (4) U.S. Federal taxes, both corporate and personal for main and subcontractors, total some 22% of the quoted price, and (5) rate of exchange used in evaluating competitive bids is often the official rate rather than the rate at which dollars are actually converted at the time the cars are paid for, an expedient not available to U.S. car builders.

REMEDIES SUGGESTED by the car builders: the Mutual Security Act should be amended to require that 75% of the dollar value of all purchases of freight and passenger cars made thereunder should be U.S.-built and also that American standard practices and specifications be used. Alternatively, the car builders suggested a plan whereby foreign aid provided would be in the form of furnishing equipment built in the United States rather than a grant in aid or loan. If these recommendations could not be put into effect, the car builders said, a more equitable standard than price comparisons between U.S. and foreign manufacturers should be developed and adopted by the various lending agencies for adjudicating orders on world-wide bids. Representatives of other manufacturers echoed the statement of the car builders that there was too much world-wide procurement paid for by American taxpayers' money.

Senate

Senator Dirksen said, "and the company asked for an injunction. The matter was rejected by the Supreme Court of the United States by a 5-to-4 decision [reversing a Seventh Court of Appeals ruling]. The court indicated that the remedy lay in Congress."

The decision had broad implications affecting all industrial development, Senator Dirksen noted, since it permitted the union to threaten to strike unless the railroad gave it the contractual right to veto the abolition or discontinuance of any job.

Citing Supreme Court language that "If the scope of the . . . act is to be cut down in order to prevent waste . . . Congress should be the body to do so," Senator Dirksen remarked that the bill being introduced would "make it abundantly clear the intent of Congress is that progress is our way of life."

"I want to emphasize, however," he added, "that this progress requires due regard for the welfare of those whose lives are dislocated by such progress and that the bill is not intended to change the law on bargaining as to rates of pay, rules, working conditions, severance pay and other matters. All the bill does is to provide that the phrase 'terms and conditions of employment' and related language in various acts do not include the creation or discontinuance of jobs."

Former AAR Head Dies

Robert V. Fletcher, 90, retired president and special counsel of the Association of American Railroads, died May 16 in a Washington, D.C., hospital after a long illness.

Mr. Fletcher retired as president of the AAR on April 1, 1947, and as special counsel on Dec. 31, 1952. He was elected president of the association on Dec. 12, 1946, to succeed J. J. Pelley upon the latter's death in November of that year.

Mr. Fletcher began his railroad service in 1911 as a general attorney for the Illinois Central in Chicago. He joined the Association of Railway Executives as vice chairman and general counsel in 1933. He drafted the plan of organization of the AAR, and was elected vice president and general counsel when that organization was formed on Nov. 1, 1934.

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Another "plus": Foster's Track Inspection Kit, which illustrates all the elements needed for efficient industrial sidings. It's a real help for proper track maintenance.

Write **L. B. FOSTER CO.** for free Track Kit RA-5
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LONGER CAR LIFE
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when cars are
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WAUGH-GOULD
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•

Its higher capacity
means greater
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THE HIGHEST CAPACITY STANDARD POCKET GEAR EVER APPROVED BY A.A.R.

*Certified under A.A.R. Specification M-901-53, Waugh-Gould Type 700 Draft Gear has an official average capacity of 51,600 ft. lbs. at 2.62" average gear closure with average reaction of 1,006,200 lbs. Half travel capacity, 10,640 ft. lbs. or 20.6% of capacity at full travel.

WAUGH EQUIPMENT COMPANY

NEW YORK • CHICAGO • ST. LOUIS • Canadian Waugh Equipment Company: Montreal

How Well Do You Know RR's?

Here are the answers to the crossword puzzle that appeared in this space in our issue of April 11 (p. 15). We hope everyone enjoyed it as much as the readers who sent in the answers seemed to.

P	L	A	N	V	■	P	C	C	X
F	O	R	E	S	T	I	N	G	■
E	W	■	■	■	■	G	■	W	■
■	C	■	■	G	A	G	E	■	P
R	A	I	L	W	A	Y	A	G	E
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E	H	■	■	■	P	A	S	T	A
F	I	R	E	■	R	C	A	■	L
E	R	P	C	■	■	K	N	O	T
R	E	B	A	T	E	■	D	A	Y

Following are some typical comments. "This puzzle is an interesting change because other than car-service employees have an opportunity to enjoy it," from a man in New York Central's Engineering Department, and "An occasional puzzle such as the one in the April 11th issue does break the usual format of questions and answers. Keep up the good work!" from a representative of the Mississippi Export Railroad Co. Thanks to these gentlemen and the others who wrote in.

So far, though, we've only heard from people who worked the puzzle. What about the rest of you? Do you like an occasional break of this sort or would you prefer to stick to serious subjects? Let us know.

A forum for railroaders who want to explore questions of importance to their industry, this column welcomes both questions and answers from readers at all levels of responsibility in the industry and associated fields. We'll pay $10 to any reader submitting a question that forms the basis for a column discussion. Address correspondence to Question and Answer Editor, Railway Age, 30 Church St., New York 7, N.Y.

Are Railroad Purchases Over-Inspected?

To the Question and Answer Editor:

With regard to your question: "Are railroad purchases over-inspected?" The answer is, it depends on which railroad you are talking about. Some make no material inspection at all. Others waste effort and money on inspection of supplies where quality is acceptably controlled by the manufacturers and where inspection by the railroad accomplishes nothing. Neither extreme makes for best economy and smoothest procurement of supplies.

The basis of good material inspection by railroads is an understanding of which supplies need inspection, and knowledge of which sources of supply can be allowed to ship without inspection, and which are likely to ship substandard material if inspection is waived. This last is not a matter of the supplier deliberately trying to cheat the railroad. Manufacturers, like railroads, are faced with rising costs and tend to cut corners in production. This can result in inferior quality of product. Plants differ greatly in organizational efficiency, morale, and facilities. In some there exist tensions between production and product inspection. Such unfavorable factors make for quality defects in the product. It is under such conditions that inspection by railroads is most valuable.

With selected sources of supply, manufacturer's certification in place of railroad inspection can be satisfactory. However, for the reasons given above, this device must be used with caution. Sales personnel are only too ready to offer quality certifications, but it often happens that plant production cannot live up to them. The result can be a succession of squabbles between the railroad and the manufacturer, or loss due to improper fit or poor quality of parts.

Manufacturers' guarantees cannot take the place of well-planned inspection by railroads.

Frisco's Philosophy

On the Frisco, our philosophy of material inspection is this: We know which supplies need inspection and which do not. We are familiar with the plants of our suppliers, and concentrate inspection at those where we know conditions are not favorable to good quality, or where trouble has been experienced with the product.

We make occasional surprise inspections at all plants which ship us supplies on our inspectable list. In this way we cover a large field with a small force, and are able to guarantee our using departments acceptable supplies at minimum cost for inspection.

An exception to our policy of spot checks is the inspection of rail. All rail is inspected.

We think that material inspectors can benefit their railroad beyond the routine checking of supplies. We use our inspectors as liaison between purchasing, using departments, and manufacturers, for better mutual understanding of railroad needs and manufacturing problems. This kind of thing can greatly help in smooth procurement.

The example which you quote (RA, May 2, p. 14), the inspection first of raw materials for paint and then of the finished paint, is a relic of railroad inspection practice forty years ago and most definitely is wasteful over-inspection. On the Frisco we long ago eliminated inspection of paints at point of manufacture. We inspect shipments of paints received only when we believe that quality is questionable, or as a check on a new source of supply.

I agree that on some roads material inspection practices are outdated and need overhauling. I also know that material inspection, when properly organized, can save a railroad a substantial sum in direct and intangible benefits.—*Max Herzog, engineer of tests, St. Louis-San Francisco.*

Now!

A lifetime lubricating oil for railroad diesels

Results from 3 years of over-the-rails freight service show that Shell Talona RS Oil 40 is a lifetime lubricating oil for railroad diesels!

New facts about Shell Talona RS Oil 40 performance are still coming in from railroad operators across the country, all pointing to a new concept of locomotive diesel crankcase lubrication.

For example, one major railroad using Talona® RS Oil 40 in heavy-duty freight service reports that its diesels have run in excess of 200,000 miles and give no indication of requiring an oil change.

Railroad operators with the most experience using Talona RS Oil 40 are convinced that diesel engine life between overhauls can be greatly extended too. Furthermore, their experience indicates that Talona RS Oil 40 will last for the full overhaul life of the engine.

• • •

Put this revolutionary new oil in your own diesels and demonstrate these cost-saving results yourself. Contact your nearest Shell Railroad Service Engineer.

SHELL TALONA RS OIL 40 is specially compounded for today's high-output railroad diesel engines.

Twice the anti-wear protection. Results show that Shell Talona RS Oil 40 will give *at least 4 years* of service between engine overhauls against 2 years or even less with conventional oils.

Longer filter life. Shell Talona RS Oil 40, with its excellent filterability, safely absorbs more contaminants than conventional diesel lubricating oils . . . affording still further dollar savings by extending filter-change periods. It holds contaminants in a finely divided state to prevent sludge deposit formation which could interfere with proper lubrication.

Unmatched engine cleanliness. Talona RS Oil 40 effectively fights deposit build-up . . . keeps engines remarkably clean. At the same time it cuts down oil consumption. And you know that a cleaner engine involves considerably less expense at overhaul time.

Excellent silver bearing lubrication. Shell Talona RS Oil 40 protects silver bearings. It has special extreme-pressure additives that provide effective built-in protection *for the life of your engine.*

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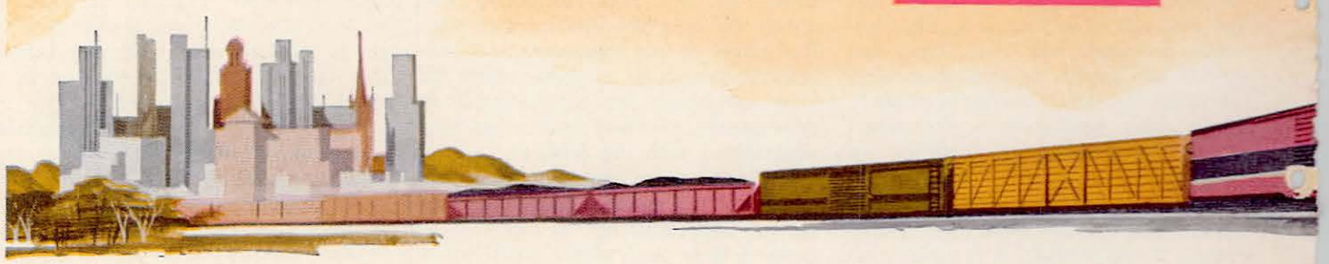

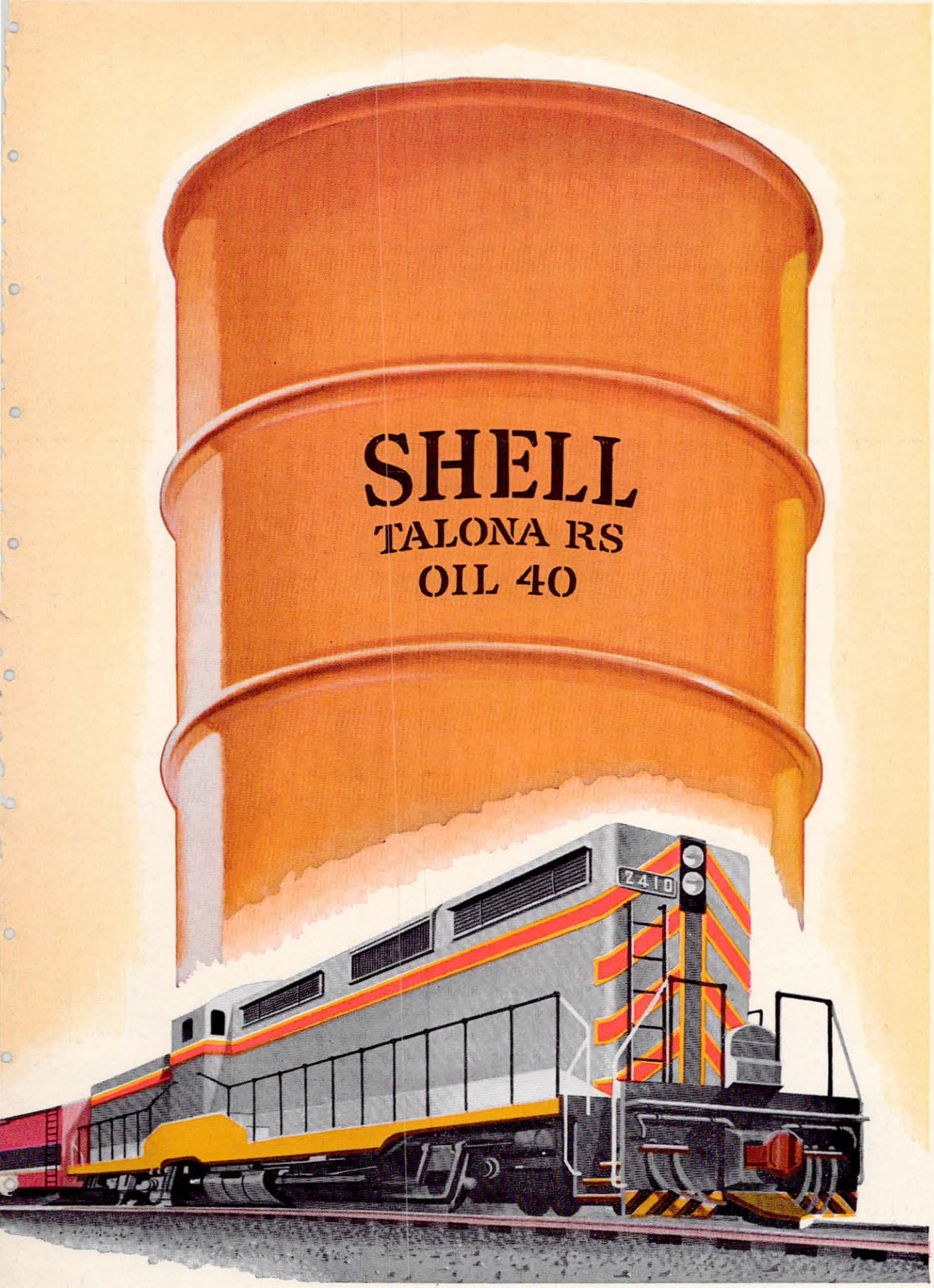
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TOFC Passes Ordnance Impact

► **The Story at a Glance: Conventional piggyback equipment has proved its ability to handle missile components and explosives. The proof came out of a series of rail impact tests conducted jointly by the AAR Bureau of Explosives and the U.S. Army Ordnance Department.**

TOFC equipment used in the tests included a Milwaukee Flexi-Van; an SP Clejan-type flat; a prototype of General American's new G85 flat; and a Trailer Train 85-ft flat. A U.S. Army conventional flat also was tested.

Critical observers representing railroads, suppliers and the military recently saw conventional TOFC equipment prove itself as a handler of missile components, ammunition and explosives.

Piggyback's versatility was demonstrated in a three-day series of rail impact tests at the Savanna, Ill.,Ordnance Depot.

Most dramatic phase of the testing was the impacting of Trailer Train car 476113. Two Burlington flat-bed trailers were loaded on the 85-ft, ACF-hitch-equipped flat. Lading on van No. 7 consisted of five tons of Nike-Ajax M326 containers loaded with simulated missile components. Van No. 8 held 12 tons of boxed 762 MM rocket compartment heads.

The Nike-Ajax containers on van seven, unitized by means of a metal tie-bar between containers, were bound with 1¾-in. steel bands. The units were secured to the trailer with 2-in. steel straps encircling lading and trailer. Similar banding secured the boxed lading on van eight. Each van also had standard blocking nailed to the trailer floor at front and rear of the lading.

One RM 3-Way impact recorder was at the rear of each trailer, and one at the center of the flat car floor. Five, ten and 15G Shock Overload Impact recorders were at the front of each trailer and at the center of the car floor.

The test car was cut loose from a switch engine and allowed to drift freely into a buffer of 16 stationary cars with set brakes. Speed at time of impact was recorded by an Eltic two-triggered timing device attached to the rails just ahead of the first buffer car.

Three forward impacts and one reverse impact were made at varying speeds.

Instrument readings and inspection of lading following each impact showed the following:

- **First impact** (4.19 mph)—Force of impact on car deck was 3G longitudinal and 1.5G vertical. Trailer seven recorded only "trace" G force. Trailer eight received impact shock of 1G longitudinal and 1G vertical. Lading in trailer seven showed no change. Slack of ¾ in. appeared at the rear of trailer eight. There was no movement of buffer.
- **Second impact** was made at 6.58 mph, with similar results.
- **Third impact** (8.15 mph)—Impact forces on car deck were recorded at 9G longitudinal and 4.5G vertical. Trailer seven received .5G longitudinal and "trace" G vertical. Trailer eight received 1.5G longitudinal and 2G ver-

READY FOR TESTING, G-85 flat is loaded with AT&SF trailers carrying 750-lb bombs and propellant charge containers

Tests

tical. Lading in both trailers showed no change. Buffer cars moved seven inches.

• **Reverse impact** (9.26 mph)—On the car deck, impact force of 8G longitudinal and 5G vertical were recorded. Trailer seven received impact shock of 1.5G longitudinal and 1.5G vertical. Trailer eight showed impact forces of 1.5G longitudinal and 2G vertical. Lading in trailer seven developed ⅜-in. slack at front of load. Lading in trailer eight developed two inches of slack at floor line in front of load, and second layer of boxes shifted 2.5 inches toward rear. Buffer cars were moved 12 inches.

This test alone showed the adequacy of conventional piggyback equipment to handle delicate ladings damage-free.

The tests were jointly conducted by the AAR Bureau of Explosives and the U.S. Army Ordnance Department. A.F. Grassmuck, AAR inspector, outlined the purpose of the tests:

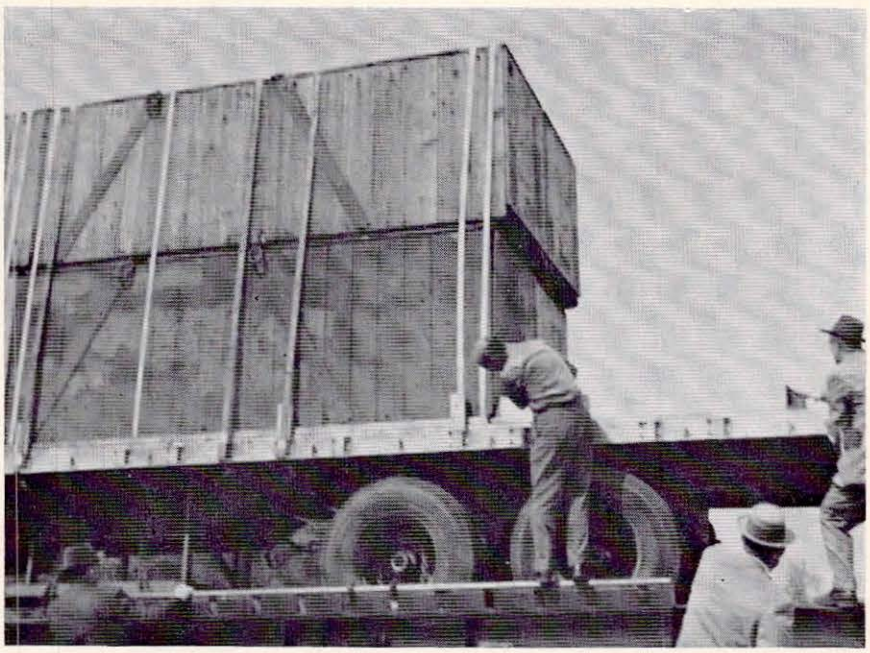
"To determine the transport qualifications for ammunition and explosives of TOFC mechanical type rail cars, which are now, or will be in the near future, available nationwide; the ability of the special TOFC equipment to handle trailer lading weights up to 40,000 pounds; the ability of the so-called Cotton Belt and Santa Fe trailer bulkheads to retain lading weights up to 40,000 pounds—both types have previously been tested with lesser weights; the adaptability and adequacy of the Elastic-Tie-Down method of trailer securement on conventional flat cars."

TOFC equipment used in the tests included a Milwaukee Flexi-Van loaded with one 36-ft open top van and a 40-ft closed van; a Southern Pacific Clejan-type flat with one SP 40-ft highway trailer; a prototype of General American's new G85 carrying two Santa Fe 40-ft closed vans; Trailer Train's 85-ft flat carrying two Burlington flat-bed trailers. Also tested was a USAX conventional flat carrying a 36-ft U.S. Army highway trailer secured by elastic tie-downs.

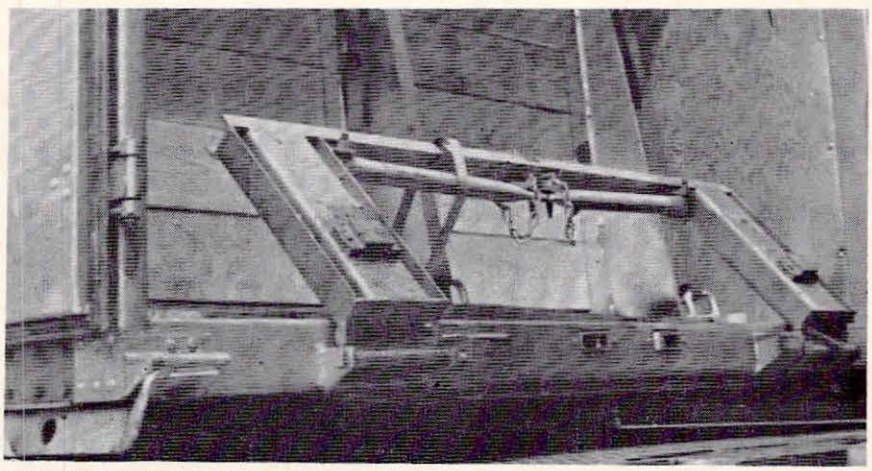
"We are well satisfied with the tests," said Mr. Grassmuck. "They have proved the adequacy of TOFC equipment to handle missile components and explosives. Further evaluation of the test results will be made by the Army Ballistic Missile Agency at Redstone Arsenal."

Donald I. Willis, chief of Savanna's test and experiment division, said the joint AAR-Army tests "will provide the guide lines for developing another type of transportation for ammunition and explosive items."

LOADED WITH NIKE-AJAX missile containers, Van No. 7 rides on TTX 467113 before impact testing at Savanna Ordnance Depot.



FOLLOWING REVERSE IMPACT at 9.26 mph, top layer of Van No. 8's lading (rocket compartment heads) has shifted 2½ in.



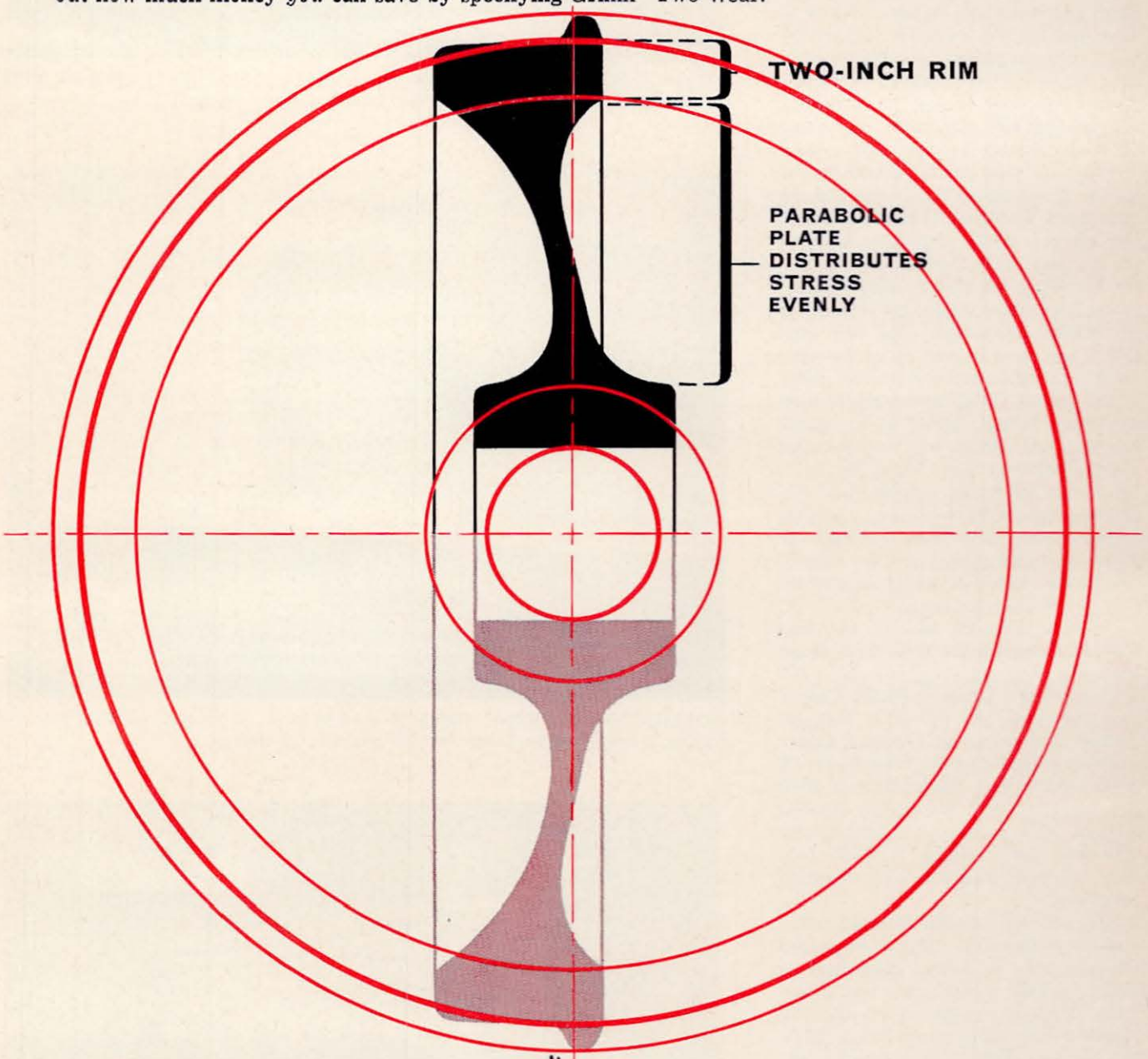
COTTON BELT trailer bulkhead in closed top, 40-ft Flexi-Van retains 40,000 lb of palletized 105-MM boxed ammunition.

GRIFFIN "TWO WEAR" WHEEL NOW APPROVED BY AAR

Developed to meet the grueling demands of high mileage freight cars, Griffin's "Two Wear" Wheel has been approved for application to 50- and 70-ton cars by the AAR.

Bonus feature Number One: the "Two Wear" Wheel is a *multiple-wear* wheel that can be "turned" several times. (You're assured of *at least* two full turns, regardless of flange wear.) The wheel has a two-inch rim, with one-wear tread and flange design, and is cast to within 20-thousandths of an inch dimensional tolerances.

Bonus feature Number Two is the parabolic shape of its plate—scientifically designed to minimize concentration of stress by *distributing* stress evenly. Call your Griffin Representative today and find out how much money *you* can save by specifying Griffin "Two Wear."



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ELECTRIC QUALITY STEEL

GRIFFIN WHEEL COMPANY 445 North Sacramento Boulevard, Chicago 12, Illinois

GRIFFIN STEEL FOUNDRIES Ltd. St. Hyacinthe, Quebec; Transcona, Man., Canada

Diesel Rebuild Market Has Big Potential

A sharp increase in the remanufacturing of old diesel-electric power is anticipated by William S. Morris, president of Alco Products.

"Most domestic railroads," says Alco's annual report for 1959, "are entering a period when a great portion of their diesel-electric locomotive fleets will be in the age bracket requiring major overhaul."

There are about 30,000 diesel-electric units in service on U.S. railroads. Hence, a big potential market for locomotive builders is represented by those units nearing the time when major overhaul will be necessary. It is the railroads, however, that will have to decide whether to scrap their old motive power, or rebuild it.

Mr. Morris recently told Railway Age how Alco Products participates with railroads in the job of putting new life into old motive power, using today's advanced technology.

Here is what he said.

William S. Morris

Alco Gives Old Power New Life

Q. Mr. Morris, why is Alco placing so much emphasis on remanufacturing diesel-electric locomotives?

A. As Railway Age pointed out in its September 21, 1959, issue [p. 24] a large part of the diesel fleet is now reaching old age. Dieselization hit high gear in the post-war years. Nearly half of today's fleet was built from 1947 through 1951. This aging power is becoming more expensive to operate.

Complete remanufacturing reduces operating costs and substantially increases the economic life of a locomotive. Also, remanufacturing costs may run only 50 to 75% of the price of a new unit. It depends on the work to be done.

Q. What is the economic life of a diesel locomotive?

A. I believe it is in the neighborhood of 15 years. Some roads have obtained depreciation rulings along this line. The tax factor (depreciation) is important, of course, because you can generate cash by annual depreciation accruals.

Mileage of a unit and total fuel used are factors, too. On these bases, the economic life could be less than 15 years, possibly as low as 12 years. We ask the railroads to consider remanufacturing when operating costs are on an upward trend.

Q. With an economic life of 12 to 15 years won't railroads be faced soon by the fact that a large part of their diesel fleet is due for remanufacturing?

A. Yes, and we believe railroads would be wise to spread this coming job of remanufacturing or replacement to avoid peaking their financial load.

Q. How do railroads finance this remanufacturing?

A. It varies. Each job has to be worked out on the merits of the individual case. Some roads may want to scrap certain classes of old power and remanufacture others.

We are ready to examine any proposition and are in a position to handle about any kind of an arrangement.

Q. Railroads did most rebuilding of steam power in their own shops. Why do they send diesels back to the builders for remanufacturing?

A. Unlike steam locomotives, diesels are standardized. This permits the

(*Continued on following page*)

REMANUFACTURED New Haven road freight units were repowered with Model 250 engines rebuilt from original Model 244 power plants. Improvements include amplidyne control, Alcocel lube filter, and motor air duct booths.

builder to stock parts and install expensive machine tools. With volume work, we can keep these tools busy. Railroads that tool up will have a lot of idle machine time. That costs money. I try to use common sense and not take a 'you must do this or that' attitude. Yet, I feel the economical way for a railroad to rebuild or remanufacture is to send the diesel back to the builder. This is the current trend, although there are exceptions, of course.

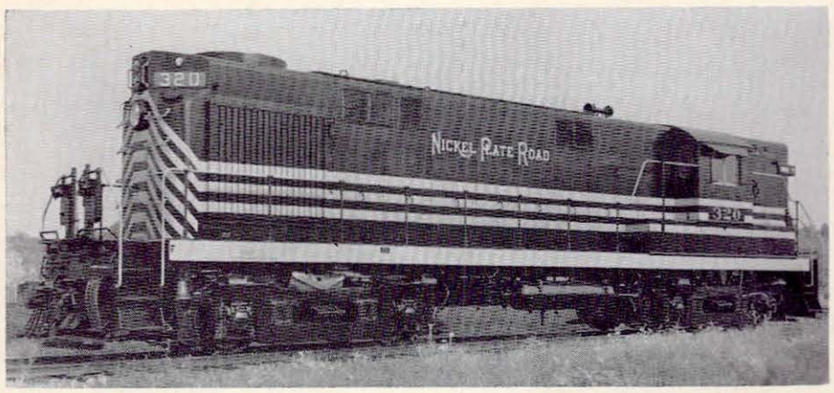
Q. In remanufacturing, what choices do railroads have on the kind of a job they get?

A. It can include complete rebuilds in kind. We can apply the 250 engine or repower with the 251 engine. We can put a new chassis on existing trucks of old locomotives.

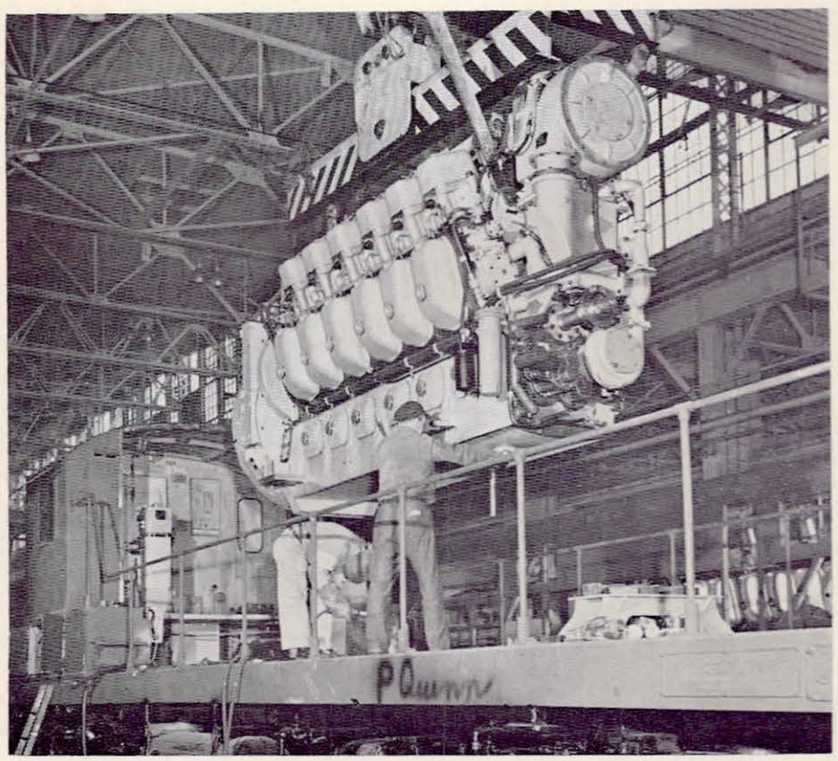
Q. What are the differences between the 251 and 250 engines?

A. Model 251 is the turbocharged design that has turned in such impressive results during the past few years, not only in locomotives, but in stationary and marine applications as well. With this engine we believe we have the most efficient and economical diesel-electric locomotive, particularly with respect to fuel economy and maintenance.

The 250 engine has all the improvements that we can rebuild into the 244. Some of these are the hardened crankshaft, serrated cylinder block and saddles, water-cooled super-charger, and Ni-resist insert pistons.



ROAD SWITCHER of other manufacture was rebuilt for Nickel Plate, using a 12-cylinder 251 engine. Modernized unit is equivalent of an Alco DL-701.



1,800-HP ENGINE is lowered on the NKP road switcher's original underframe. Draw gear, operating cab, trucks and traction motor assemblies were retained.

Q. What time schedule is maintained? Or, to put it another way, how long will railroads lose the use of their power while it is being remanufactured?

A. It depends on the job. We can deliver in 30 days after receiving the unit at Schenectady, finishing up one a day. Wrecked units take longer, of course. As to delivery, we can work out anything the customer wants.

Q. What guarantee do you give remanufacturered power?

A. We give a new-locomotive guarantee on work done.

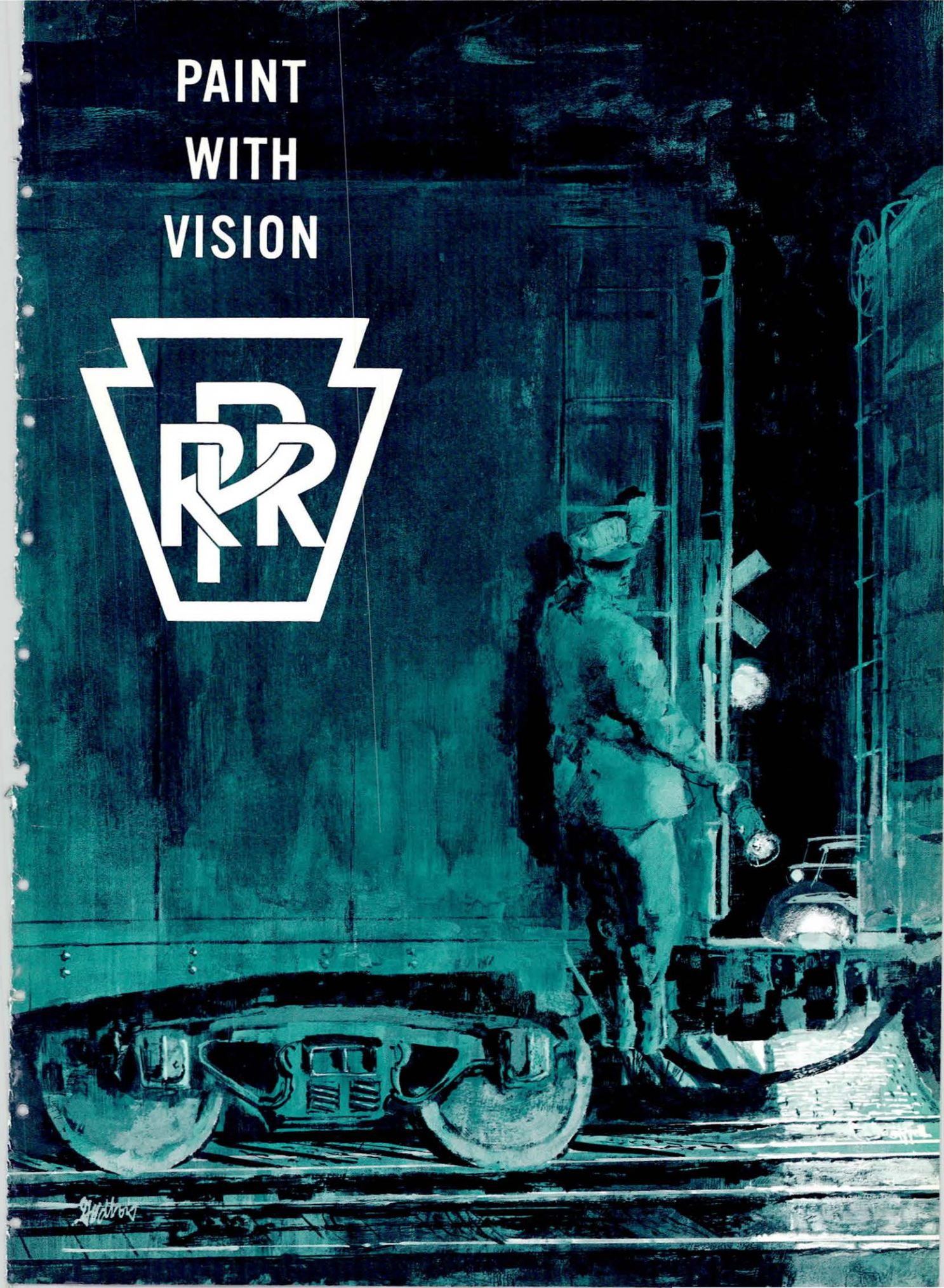
Q. Do you have specific maintenance recommendations for other than the more or less complete rebuilding of motive power?

A. The 244 normally undergoes two power changeouts and then is returned for unit exchange, covering a period of 6 to 8 years. After two such periods, we believe the complete locomotive should be remanufactured as we previously discussed.

For the 251 engine, based on experience to date (remember we have only had 251 engines in locomotives with 12- and 16-cylinder engines for four years) we believe a four-year interval for power assembly work should be used. Please understand that our recommendation for both models depends on the type of service in which they have operated.

Q. One more question. Is remanufacturing now a substantial part of your business?

A. It has become more a factor in our Schenectady plant. In 1959 we did this kind of work for the New Haven, Lehigh Valley, Missouri Pacific, Nickel Plate, Chicago & North Western, New York Central, Pennsylvania, Norfolk & Western, and others.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"CODIT"

REFLECTIVE LIQUID

Sprays on in one step... identifies freight cars with BRILLIANT AROUND THE CLOCK VISIBILITY

- Greater Safety at Grade Crossings
- 24-Hour Identity of Reporting Numbers
- Your Name in Sight Sells Day and Night

Paint Your Rolling Stock with Vision—with "CODIT" REFLECTIVE LIQUID

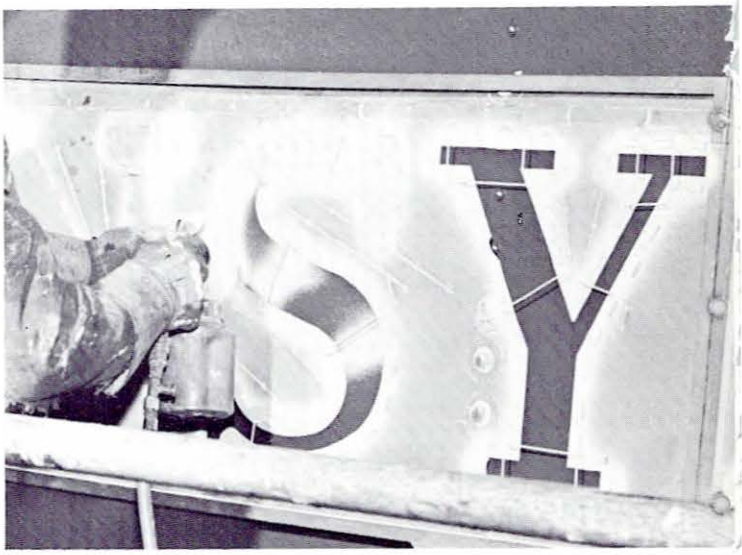
the brightest freight car marking material in sight—a dramatic paint-like material that gives you car reflectorization at minimum cost. Using conventional spray painting equipment, "Codit" Liquid applies like stencil paint, wears like paint, looks like paint *by day*. But at night it produces the brightest freight car markings in sight!

Suspended in "Codit" Liquid are millions of tiny glass reflex-reflectors that direct light beams straight back to their source with a brilliance 50 times greater than white paint. Every marking stands out sharply in the night for extra safety at grade crossings. Reporting numbers stand out distinctly—are read faster, more accurately. And your name in sight 24 hours a day has full time advertising impact.

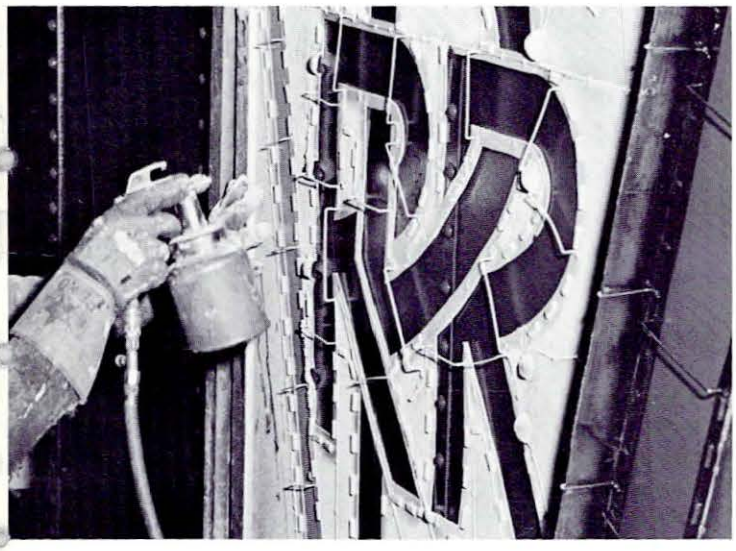
For detailed information on the properties and one step application of "Codit" Reflective Liquid call your 3M Representative—he is available at your convenience!

Apply "CODIT" Reflective Liquid Just Like Paint!

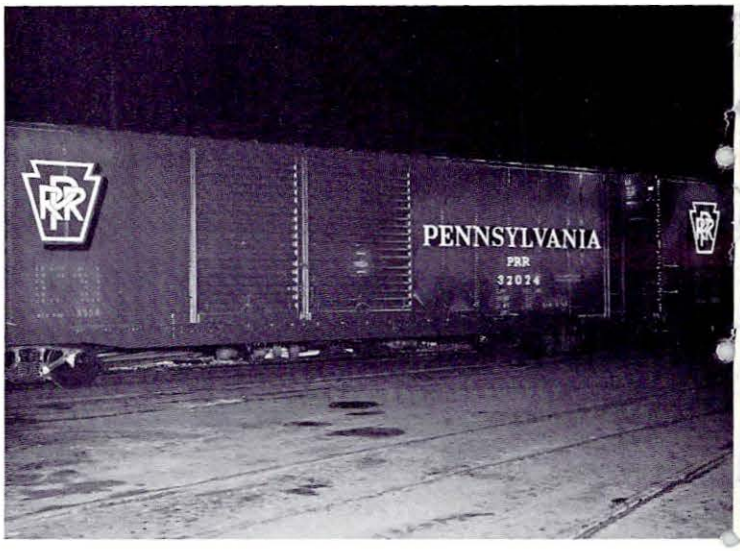
Your regular stencils are used to mark cars with durable "Codit" Reflective Liquid. As in all stenciling, firm contact between stencil and car body insures sharp edges.



"Codit" Liquid applies much like ordinary stencil paint, but does not require as heavy an application to obtain excellent 24-hour performance and comparable durability in use.



Pressure feed type spray guns are recommended. Siphon type guns may also be used, but will generally result in slower production, some overspray, and less even coating.



By day, cars marked with "Codit" Reflective Liquid look virtually the same as cars marked with ordinary stencil paint. The only difference is in sight—at night!

Set up this page see "CODIT" work

REFLECTIVE LIQUID

Set up this page as illustrated—line up the arrows—then hold a flashlight close to your head at eye level ("Codit" Liquid reflects only back to the light source). Note the continued reflective brilliance even at angles up to 85°!

CODIT
BRAND
REFLECTIVE LIQUID

Reflective Products Division

MINNESOTA MINING AND MANUFACTURING COMPANY

...WHERE RESEARCH IS THE KEY TO TOMORROW

St. Paul 6, Minnesota

3M COMPANY

THE TERM "CODIT" IS A REGISTERED TRADEMARK OF THE 3M COMPANY

US&S Markets Hotbox Detector

Union Switch & Signal is the latest entrant in the hotbox detector field. The US&S device is called a Hot Bearing Detector System. It prints on adding machine tape the time, heat range, car location and side, of the detected hotbox.

The wheel scanners are outside and at right angles to the rails. The resulting short line of sight minimizes interference from snow and dust and allows a single set of scanners to be used for bi-directional operation.

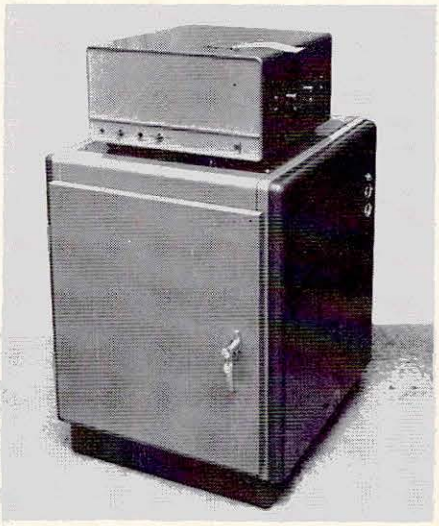
The viewed area is on the outside hub of the wheel just below the axle. Measuring the observable temperature at that point minimizes any difference in temperature between roller and solid bearings. The temperature is compared with the temperature of the undersides of the cars. The difference in temperatures is compared with preselected levels at which detection of warm or hot conditions is desired.

A photon (particles of energy) sensor is used which, according to US&S, will respond in less than one millionth of a second. Wheel detectors provide the means to sample the detector output. The scanner is housed in a weatherproof steel case equipped with a lens cover which automatically opens at the approach of a train. The optical system passes only infrared radiation.

Wayside equipment includes an analyzer which translates continuously varying signals from the scanners into digital form for transmission over direct wires or carrier. US&S offers its style FST frequency shift carrier for this purpose. The analyzer reports two different degrees of heat and can be adjusted to the required temperature limits. This provides the information center with a report of "dangerously hot" and "warmer than normal" journals.

When a hot bearing indication is received at the office, a single stroke bell alerts the attendant. The detected information is printed on a tape, providing a permanent record. The printed information includes: (1) the time a train enters the detection location; (2) its leaving time; (3) whether a hot bearing has been detected; (4) the location of the car in the train; and (5) the side of the car where the overheated bearing is located. The readout equipment can be any distance from the detecting location, depending upon the communication facilities used.

The system is also available with a pengraph recorder, in place of the analyzer and printer. Deflections of the pens are proportional to the heat detected.



HOTBOX RECORD on printed tape is provided by new US&S detector system.

Except for the printer, all equipment is transistorized and on printed circuit plug-in boards. It has been designed so the entire system can be checked by using standard testing instruments. The equipment operates from 110 volts, 60 cycles ac.

Letters from Readers

Grade Crossings

Washington, D.C.

To the Editor:

The letter by Mr. A. N. Brauer on the subject of the "Grade Crossing Problem," published in the April 25 issue of Railway Age, deals with a most complicated and difficult subject.

Certainly most of us in the railroad industry heartily concur in his suggestion that any surplus highway funds available to increase overhead highway clearances from 14 feet to 16 feet for the benefit of highway haulers could be spent to better advantage, and the public good, to eliminate railroad-highway grade crossings.

The magnitude of the problem posed in the elimination of all existing grade crossings is illustrated in the 1958 report of the Interstate Commerce Commission, "Railway-Highway Grade Crossing Accidents," issued in July of 1959. The report shows that as of Dec. 31, 1957, there were 223,381 crossings at grade within the United States on Class I line-haul railroads and switching and terminal companies. Of this number, 39,884 had crossing protection other than the customary crossbucks and advance warning signs.

Many of the crossings at grade are in metropolitan areas where cost of elimination is heavy, some running into millions of dollars. A conservative estimate of an average cost for a separation is $300,000. This would mean that the cost of eliminating all crossings at grade would total $67 billion, or more than twice the total present investment in all railway property.

If, as Mr. Brauer suggested, the railroads were called upon to participate in the cost in the amount of 10%, as provided in the Federal-Aid Highway Act of 1944, it would require a railroad outlay of $6.7 billion. This figure is only slightly less than the total net income of the railroads over the past ten years.

Today's facilities are built for the convenience and safety of highway traffic and more often than otherwise provide little benefit to the railroads. The number of trains on the railroads certainly has not increased but in some instances has decreased. Traffic on the highways has multiplied many times in the last two decades.

The problem is a serious one. It would seem, however, that the time has long since passed when regulatory requirements, placing unjustified financial burdens on the hard-pressed railroad industry, should be removed.

Hal H. Hale
Assistant to Vice President
Highway Transportation
Association of American Railroads

'Responsible Coverage'

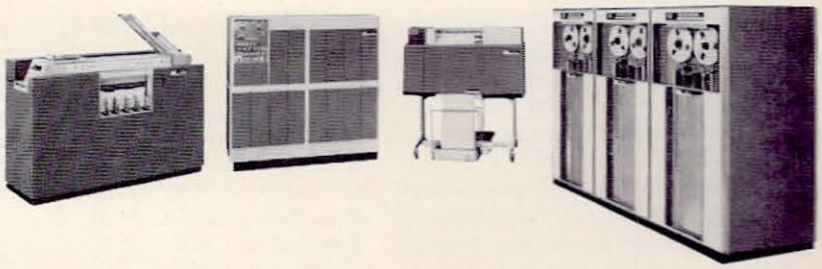
Tampa, Fla.

To the Editor:

The March 14 article on prestressed concrete railway crossties has captured the attention of all our company officials as well as railroad executives, engineers and maintenance of way representatives throughout the United States, Canada and Mexico.

We certainly appreciate such intense and responsible coverage of this important event.

Robert E. Edrington
Director of Public Relations
American Concrete Crosstie Corp.



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REPORT OF THE BOARD OF DIRECTORS ON THE YEAR'S BUSINESS

New York, N. Y., April 28, 1960.

To Stockholders of Union Pacific Railroad Company:

The Board of Directors submits the following report for the Union Pacific Railroad Company, including its Leased Lines,* for the year ended December 31, 1959.

Condensed Statement of Income

	1959	1958	Increase (+) Decrease (—)
Operating revenues	$515,767,433	$505,215,191	+$10,552,242
Operating expenses	$378,741,803	$371,257,945	+$ 7,483,858
Taxes (including taxes on income from oil and gas operations)	76,806,304	69,803,903	+ 7,002,401
Equipment and joint facility rents—net charge	23,262,674	20,692,259	+ 2,570,415
Net income from transportation operations	$ 36,956,652	$ 43,461,084	−$ 6,504,432
Net income from oil and gas operations (excluding income taxes)	19,347,089	24,566,034	− 5,218,945
All other income	13,526,160	14,765,358	− 1,239,198
Total income	$ 69,829,901	$ 82,792,476	−$12,962,575
Interest on funded debt	$ 4,413,298	$ 4,470,345	−$ 57,047
Miscellaneous rents and charges	575,243	539,687	+ 35,556
Total fixed and other charges	$ 4,988,541	$ 5,010,032	−$ 21,491
Net income from all sources	$ 64,841,360	$ 77,782,444	−$12,941,084

As the result of declines in all three of the major categories of income—transportation, oil and gas operations, and investments and other sources—net earnings after dividends on preferred stock, amounted to only $2.71 per share of common stock, or 58 cents less per share than in the previous year.

Notwithstanding this 17½ per cent decrease in earnings per share, dividends were declared on common stock at the same rate as in 1958—$1.60 per outstanding share, including an extra dividend of 40 cents at the end of the year. Thus, 59 per cent of the Company's net income after preferred dividends was declared in dividends to the holders of common stock, compared with 48.4 per cent in the previous year.

There was no curtailment of expenditures for improvements to the Company's transportation properties. In fact, the aggregate expenditures of $70.1 million for equipment and other improvements were $15.8 million greater than in 1958. Continued expenditures on such a scale, as pointed out in previous reports, are essential under present-day conditions to enable the Union Pacific to maintain and improve its competitive position in the field of transportation and continue to provide efficient, up-to-date service.

* Leased Lines are: Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company, and The St. Joseph and Grand Island Railway Company. Figures in the Income Account and other tables are stated on a consolidated basis, excluding offsetting accounts between companies.

(Advertisement)

OPERATING REVENUES

The increase in **Freight revenue** compared with 1958 reflects the net effect of a 15 per cent increase in ton-miles of freight carried in the first half of 1959 due to a broad recovery in general business conditions, and a 5.7 per cent decline in the last half caused chiefly by the 116-day steel strike which started in July. For the full year, ton-miles carried showed an increase of only 3.8 per cent with a decrease in average revenue per ton-mile of 1.8 per cent.

The largest revenue *increases* were in *lumber* and *plywood*, as the result of greater construction activity; *automobiles and parts*, reflecting increased production and sales; *chemicals and products*, because of improved industrial demand; *vegetables, other than potatoes*, principally from Northern-Central California where production was substantially greater than in 1958; and *oranges*, due chiefly to excellent crops of both Valencia and naval oranges in California. There were also increases in revenue for a long list of manufactured products, such as construction materials, petroleum derivatives, household appliances, machinery, paper products, etc., not large enough to justify individual comments, but representing in the aggregate a substantial amount.

The commodities with the largest *decreases* in revenue were *iron ore* and *nonferrous ores and concentrates*, as the result of strikes in steel and other metal industries; *sorghum grains*, primarily because of less shipments by the Government to Pacific Coast points for storage; *potatoes* from Idaho, due chiefly to increased competition from other States; and *less than carload freight*, chiefly because a substantial volume of such traffic in the previous year was diverted from the highways to rail carriers as the result of a strike by Western truck drivers.

Passenger revenue was almost exactly the same as in 1958. Travel in coaches, which represents about three-fourths of the Company's total passenger volume, increased approximately 3 per cent over 1958, but there was a decline of 8 per cent in sleeping car travel. The net effect was a small increase in the number of passengers carried one mile but a slight decrease in average revenue per passenger-mile.

The increase in **Mail revenue** was due to a greater volume of mail carried and to an increase of 5.6 per cent in the rate of compensation for transporting mail, made effective on Western railroads July 1, 1959.

The increase in **Express revenue** represents increased receipts from the Railway Express Agency, chiefly as the result of various rate increases authorized by the Interstate Commerce Commission, and drastic curtailment by the Agency of its operating expenses.

The most important of the factors responsible for the increase in **Operating expenses** was the higher level of wage rates. The wage increases granted in May and November of 1958, mentioned in last year's report, and a "cost-of-living" increase of 3 cents per hour effective November 1, 1959 (making a weighted average increase over 1958 of 8½ cents per hour) inflated operating expenses for the year by $8 million.

The chief other reasons for the increase in expenses were: The larger volume of freight traffic handled and faster freight train schedules; expanded programs for repairing and remodeling diesel locomotives; increased charges for equipment depreciation, due to acquisition of additional locomotives and cars and higher depreciation rates effective in 1959; a rise in locomotive fuel prices; and less proceeds from sales of scrap material, credited to operating expenses.

However, the effect of such increases was partially counteracted by substantial economies accomplished through acquisition of improved facilities and innovations in operating and maintenance methods, and by the reduction in expenses resulting from a decrease in passenger-train miles operated and lower charges for retirements of non-depreciable fixed property and for fire insurance. Expenses in connection with repairs and improvements to freight cars were also reduced, although the freight fleet was maintained in satisfactory condition; only 1.8 per cent of freight cars were unserviceable at the close of the year—about the same as the corresponding percentage for 1958.

Way and structures were adequately maintained, and greater quantities of rails, ties, and ballast were applied in main track renewals than in the previous year, as shown in the tabulation below:

	1959	Increase (+) or Decrease (—) vs. 1958
New rails (track miles)	110.35	+ 4.48
Second-hand rails (track miles)	40.23	— 1.43
Total rails (track miles)	150.58	+ 3.05
Ties (number)	855,108	+215,725
Ballast (cubic yards)	253,592	+ 62,681

TAXES

The increase in **Federal income taxes** resulted from an increase in *taxable income* (notwithstanding a decrease in book income), chiefly because of reduced allowances for various items deductible for tax purposes which are not reflected in the income statement. The principal item in this category was the smaller deduction for amortization allowances on the cost of property classified as "emergency facilities" by the Office of Defense Mobilization. The details in connection with such amortization allowances in 1959 compared with 1958 are shown below:

	1959	Decrease vs. 1958
Amortization deductions	$17,772,416	$8,240,953
Excess of amortization over depreciation	9,562,687	8,911,914
Reduction in income taxes	4,972,597	4,634,196
Betterment in net income per share of common stock	$.22	$.21

As a partial offset to the substantial reductions in amortization and other allowances for tax purposes, there was an increased allowance in 1959 for accelerated depreciation (on property acquired after 1953) in excess of depreciation at rates authorized by the Interstate Commerce Commission, chiefly because of additional acquisitions of equipment and other depreciable property. The reduction in income taxes resulting from such accelerated depreciation was about $3.7 million in 1959 compared with $2.5 million in 1958.

The sharp increases in **Federal unemployment insurance taxes** and **Federal retirement taxes** were chiefly due to increases in the tax rates. The unemployment tax rate rose automatically on January 1, 1959, from 2½ per cent to the maximum rate of 3 per cent under the existing law, because of depletion of the trust fund established for payment of railroad unemployment benefits. Thereafter, in disregard of unchallengeable evidence showing that the railroads were urgently in need of *reductions* in their inequitable tax burdens, payroll taxes were *further increased* effective June 1, 1959. The unemployment tax rate was raised from 3 per cent to 3¾ per cent, and the retirement tax rate from 6¼ per cent to 6¾ per cent, with rates progressively increasing in future years. On top of

this, both of the increased tax rates were made to apply to an increased base, that is, to the first $400 of each employe's monthly wages instead of $350 as theretofore. While employes are taxed at the same rate as the railroad for the railroad retirement fund, the employes pay no part of the taxes for the unemployment insurance fund. The *railroad's annual payroll tax payments for every employe* with a monthly wage of $400 or more, have risen as shown below, due to the payroll tax increases effective in 1959:

Basis effective in 1958	$367.56
Effective January 1, 1959	388.56
Effective June 1, 1959	504.00

State and county taxes by classes, compared with 1958 were as follows:

	1959	Increase vs. 1958
Ad valorem and other property taxes	$17,993,741	$284,022
Income and franchise taxes	1,423,442	158,779
Sales, use, and compensating taxes	658,817	103,199
Total	$20,076,000	$546,000

Total taxes for 1959 were equivalent to 14.9 per cent of total operating revenues, $1,893.41 per employe, and $3.42 per share of common stock or 71 cents more than the Common Stockholders' equity of $2.71 per share in net earnings.

OIL AND GAS OPERATIONS

	1959	1958	Increase	Decrease	Per Cent
Receipts from sale of oil, gas, and other products	$29,298,485	$35,841,242	.....	$6,542,757	18.3
Production expenses (including depreciation)	$5,772,804	$6,750,701	.....	$977,897	14.5
Taxes (other than income taxes)*	2,102,647	2,920,612	.....	817,965	28.0
Intangible drilling and development costs†	2,075,945	1,603,895	$472,050	.....	29.4
Total charges against receipts	$9,951,396	$11,275,208	.....	$1,323,812	11.7
Net income from oil and gas operations	$19,347,089	$24,566,034	.....	$5,218,945	21.2
Drilling and development costs not charged against receipts	$398,878	$356,724	$42,154	.....	11.8

*Federal taxes on income from oil and gas operations, of approximately $5,863,100 in 1959 and $7,327,100 in 1958, are included in "Taxes" under "Transportation Operations".

†Represents costs such as labor, fuel, repairs and hauling in connection with drilling, geological work, clearing ground, building roads, and certain materials with no salvage value.

The decrease in *receipts* resulted chiefly from declining production in Wilmington and Rangely fields and a decrease of about 13 per cent in the average price received for oil sold in Wilmington field. Most of the decrease in *production expenses* occurred in Wilmington field. The decrease in *taxes* reflects lower ad valorem taxes in Wilmington field and credit adjustments of taxes for prior years in Rangely field. The increase in *intangible drilling and development costs* resulted from increased drilling activity in Wyoming areas, partially offset by reduced drilling in Wilmington and Pierce fields.

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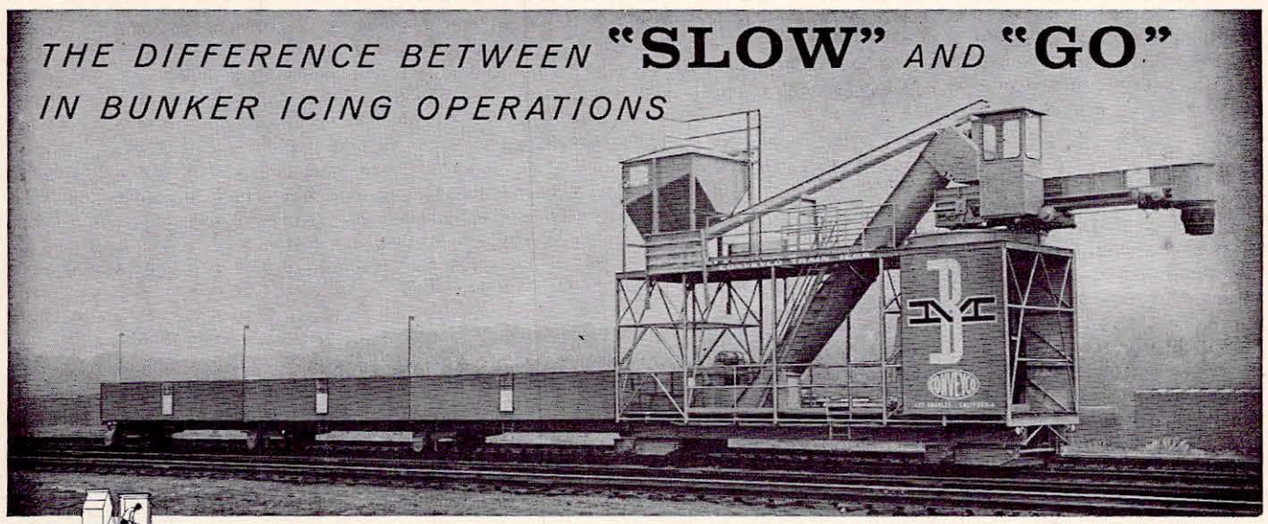
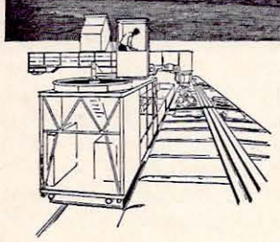
THE DIFFERENCE BETWEEN "SLOW" AND "GO"
IN BUNKER ICING OPERATIONS





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Telephone Fight: Who Wants

By ROBERT W. McKNIGHT

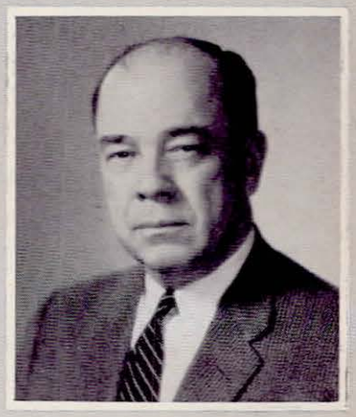
Signaling & Communications Editor

► **The Story at a Glance: Until new tariffs were filed with the Federal Communications Commission last July, railroads generally were able to enjoy unlimited interconnection of railroad-owned communications circuits with telephone company exchange and toll facilities.**

But the new tariffs of American Telephone & Telegraph Co. and Northwestern Bell Telephone Co. permit interconnection only in case of emergency involving the safety of life and property, or where railroad facilities are in hazardous or inaccessible locations. The Southern, Santa Fe and Illinois Central protested to the FCC at the time of the tariff's filing. The FCC ordered a hearing on the matter, which has recently been concluded. It took 39 days, including a prehearing conference, to get all testimony on the record. Docketed as FCC No. 12940, the record is 4,867 pages long.

Proposed findings and memoranda of law briefs are to be filed on or before next July 8. Reply briefs are to be filed on or before August 2. Then the FCC will take the matter under advisement. It will probably take from a few months to a year or more for the Commission to issue its ruling.

G. L. Best, AT&T—"Such arrangements (grandfather clause) were made to avoid any hardships from an abrupt termination of existing connection privileges."



E. S. Marsh, AT&SF—"Since we plan ultimately to protect all of the Santa Fe mainline with microwave systems . . . it appears that we must . . . lose interconnection."

Railroad-owned communications facilities have been interconnected with telephone companies' exchange and toll facilities under standard operating agreements or contracts. Railroads, one of the pioneer users of telephones, have built private communications systems.

Because telephone companies did not have as wide a coverage as they do now, they entered into agreements whereby railroads could interconnect railroad-owned communications systems into the exchange and toll facilities of the telephone companies. Now that telephone companies go everywhere, they can provide service to railroad right-of-way points. This, plus the 'phone companies' contention that private communications facilities should not be interconnected with those of the telephone companies, led the Bell System to ask for revision of the operating agreements, out of which grew the new tariffs.

Negotiations with the AAR over this interconnection matter covered seven years. Three months' notice was given of the end of the contracts or standard operating agreements. The new tariff took effect July 15, 1959.

The Southern, Santa Fe and Illinois Central protested and the Federal Communications Commission set the matter for hearing. These roads were later joined by the New York Central, Chesapeake & Ohio, Missouri-Kansas-Texas, Chicago & North Western and the Milwaukee. Hearings began October 26, 1959, and ended April 8.

Concerning the kind of connections that may be made under the tariff, George L. Best, vice-president, AT&T, said at the hearing: "In general, railroad provided telephone circuits of any type—that is, wire, radio, carrier, etc. —may be connected with telephone company PBX switchboards or other switching equipment or with telephone company private line telephone services for internal railroad communications.

"Any of the railroad-provided telephone circuits of any type may, in turn, be connected through telephone company PBX switchboards or other switching equipment with the telephone company's general exchange and toll network for emergency calls involving the safety of life or property.

"Such railroad circuits may also be so connected for service to right-of-way locations which, because of hazard or inaccessibility, it is impracticable for the telephone company to serve."

In addition, railroad circuits which on July 14, 1959, the day before the effective date of the new tariffs, had the privilege of connecting with the telephone company's exchange and toll network, continue to have that privilege. This is known as the "grandfather clause." Mr. Best said: "Such arrangements were made to avoid any hardships from an abrupt termination of the existing connection privilege."

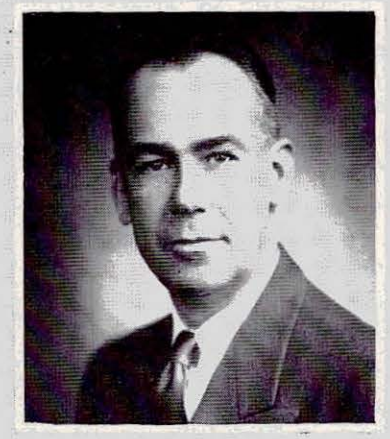
50% Limit is 'Hot' Issue

One of the "hottest" issues is the 50% limitation in interconnecting microwave circuits. According to E. S. Marsh, president, Santa Fe, "We are not permitted under the tariff to convert or transfer our existing interconnected telephone channels to microwave and retain interconnection of any channel half of whose total length is derived from microwave carrier.

"Since we plan ultimately to protect all of the Santa Fe mainline with microwave systems," Mr. Marsh said, "and since it is wasteful and inefficient to maintain our existing wire plant and also provide the new microwave systems to meet our growing communications requirements, it appears that we must inevitably lose interconnection if

What in Interconnection Dispute?

R. D. Shelton, AT&SF — "Where there exists sufficient communications traffic density . . . microwave is the most efficient . . . means of meeting our . . . requirements."



R. R. Manion, NYC — "Railroad officials are on 24-hour call, as are many of the supervisors. Because of this, they must be reached promptly . . . on . . . railroad property or not."

V. E. Glosup, MILW — "We work around the clock and in different time zones. Therefore, calls, of necessity, must be made to and from points off the property."

the tariff is permitted to remain in effect."

Although unlimited interconnection could be obtained for toll and city calls if the AT&SF were to lease its private telephone system from the telephone company, Mr. Marsh said such an arrangement would be undesirable. "Our communication system is part and parcel of the railroad, and as such must be under our complete control at all times. We cannot divide the responsibility for operating the railroad with the telephone company, which is exactly what we would be doing if we turned the responsibility of our communications system over to them."

In times of disaster, Mr. Marsh felt, he could not expect the railroad to get priority on the restoration of service. "We feel that we need to have our own fully trained crews immediately available to restore our plant."

R. D. Shelton, assistant vice-president operations, AT&SF, said it is a matter of Santa Fe policy that "where there exists sufficient communications traffic density, point-to-point transmission by microwave is the most modern, economical and efficient means of meeting our communications requirements." He said that maintenance of microwave systems is simpler and less expensive than maintenance of wire lines because microwave equipment is concentrated in particular places.

Mr. Shelton said limitations on microwave circuit connections with telephone company facilities "can only raise the question of whether the true objective of the telephone company is not to use every means at its hands to discourage the extensive development and use of microwave facilities by anybody else."

J. K. Looloian, private line rate engineer, AT&T, said that, in general, the July 15, 1959, tariff provisions added railroads to the eligible group of right-of-way companies, previously limited to power and pipeline companies. In addition to interconnection in emergencies and where customer facilities are in a hazardous location or inaccessible, Mr. Looloian said interconnection is permitted "during the interim period where the customer had arranged for replacement of his facilities with telephone company facilities."

Telephone Company Studies

On this latter point, several railroad witnesses testified about Bell System studies on furnishing communications to their roads. One such witness was T. M. Evans, communications engineer, Chicago & North Western. Mr. Evans described modernization of the North Western's communications system whereby Morse telegraph would be replaced with Teletype and telephones. If the C&NW modernized its communications plant, the annual operating cost would be $1,261,064. The cost if the Bell telephone companies did the job would be $2,195,940 annually. The estimated annual saving of $934,000 would pay the modernization cost of $2,764,000 (C&NW figure) in less than three years.

Southwestern Bell Telephone Co. studied the communications needs of the Missouri-Kansas-Texas, with the idea of providing all the railroad's communications. According to L. I. Nearmyer, M-K-T communications engineer, the telephone company dropped the entire idea after some two years' work on the study. Telephone company representatives were reported to have said it would be time consuming and costly to install, service and maintain a communications system such as would be required for railroad operation, particularly at waystations and points removed from the telephone company central exchanges.

D. L. Wylie, communications engineer of the Milwaukee, testified that it would cost $46,812 for his road to provide 12 long-distance voice channels for a particular route. The annual cost —including amortization over 15 years,

(*Continued on following page*)

RRs Should Not Oppose New Tariffs, Says AAR Group

"It would be to the interest of the railroads as a whole for the Association [of American Railroads] not to oppose the filing of the proposed [telephone company] tariffs with the FCC and the state commissions."

The statement is from a report by the Committee of Direction of the AAR Communications Section. The report said the "arrangements now proposed," which constitute the tariff in effect since last July 15, "represent a considerable departure from previous submissions and include a number of material concessions."

The report was put into the record of the FCC hearing along with a transmitting letter to AAR member railroads from the late AAR vice-president R. G. May.

TELEPHONE FIGHT (*Continued from preceding page*)

interest, etc.—would be $17,565, compared with Bell charges of $32,493 annually for 12 channels.

These differences in railroad and Bell telephone company costs were pointed up by Glen Ireland, vice president operations, Pacific Telephone & Telegraph Co. He said that customer provision of long distance circuits would lead to higher rates for two reasons: First—The telephone companies' rates are based on average costs. Some services cost more than the rates charged, and some cost less. Hence, the normal tendency would be for the customers to provide their own services where their costs would be less than average rate charged by the telephone companies. This would leave the higher-cost operations to the telephone companies.

Second, Mr. Ireland testified, the telephone companies provide circuits on heavy traffic routes at "considerably lower cost than individual customers can provide them," if for "no other reason" than that the cost of an individual circuit goes down sharply as the number of circuits on a system increases.

The Southern is planning a Washington-Atlanta microwave system that would include VHF radio to provide solid train-to-wayside coverage. The cost would be from $3.6 to $4.1 million, said D. Ruff, assistant to vice president—communications. Total annual charges under a Bell proposal to furnish the microwave system, would be $1,629,765. For the Southern's own system, he said, operating costs—including interest on invested capital, depreciation and maintenance—would be $730,000 a year.

W. E. Sutter, manager-microwave sales, General Electric (a Southern witness) computed the channel-mile monthly cost at 78 cents for a GE-furnished system, and about $2 per channel mile a month under the Bell proposal (255 channels each system).

In the projected changeover to microwave, D. W. Brosnan, Southern vice president operations, said he would expect only a 1% to 2% increase in the number of interconnected telephone calls. Only 10% of total calls now go through PBXs for interconnection, he estimated.

Interconnection is necessary, said Mr. Brosnan, because supervisors and officers move a lot, they are on and off the railroad, and many times an officer off the railroad must talk to a supervisor on the railroad.

This flexibility of railroad officers was also described by R.R. Manion, assistant vice president operations, New York Central. He said: "Railroad officials are on 24-hour call, as are many of the supervisors. Because of this, they must be reached promptly, whether they are on the railroad property or not. Our officials must be available from any point on the line and must be able to reach any point. This can only be accomplished effectively and without serious delay through interconnection of Bell System and railroad facilities."

"We work around the clock and in different time zones," testified V.E. Glosup, now assistant vice president chief engineer of the Milwaukee. "Therefore, calls, of necessity, must be made to and from points off the property. Toll and exchange interconnections are highly important, as they are placed to key supervisory personnel who must make decisions."

H.W. Wilson, superintendent transportation, Illinois Central, made the point that communications needs frequently increase after the general offices are closed, and officers and employees have to be reached at home.

On relocation of railroad rights-of-way, Mr. Looloian (AT&T), said that if a railroad is relocating to, say, straighten out curves, it would not lose its interconnection rights under the tariff and the "grandfather" clause. Were it to relocate to serve a new town, however, this would not be the same right-of-way, and the tariff restriction on unlimited interconnection would apply.

Related to this is the effect created by mergers. T.M. Evans, communications engineer, C&NW, said that "among the important benefits to be derived from mergers is the elimination of duplicate trackage." In such instances, one road's pole line would probably be eliminated, hence that road would lose the interconnection right.

M. I. Dunn, vice president operations, Chesapeake & Ohio, testified that although "the C&O did not request suspension" of the tariff, "the initial interest of the [railroad] lies in the preservation of the rights of interconnection."

R.D. Kingston, commercial director, General Telephone Service Corp., said the Santa Fe has 25 railroad-owned circuits terminating in telephone company switchboards at San Bernardino, Calif. "Interconnection can be made in emergencies involving safety of life or property" (permitted under tariff). Questioned on this interconnection, Mr. Kingston said "there is no limitation as to microwave." The Santa Fe has agreed not to interconnect eight circuits under any circumstances.

L.R. Thomas, superintendent communications system, AT&SF, said that six circuits of the Los Angeles-San Bernardino microwave terminate in the PBX automatic plant at San Bernardino. Since PT&T won't connect them at Los Angeles, the AT&SF (with the knowledge of General Telephone) put telephones on the desks of six Los Angeles offices and made them stations off the automatic plant at San Bernardino.

Other Railroad Witnesses

Other witnesses presenting testimony in behalf of the railroads' case included: P.A. Flanagan, superintendent of communications, Chesapeake & Ohio; P.B. Burley, superintendent of communications and electrical engineer, Illinois Central; R.C. Karvwatt, director of communications, New York Central; Bernard Firestone, assistant comptroller and assistant treasurer, Chicago & North Western; and J.T. Stephenson, vice president and comptroller, Missouri-Kansas-Texas.

W. J. MacAdam, assistant chief engineer, now vice president, American Telephone & Telegraph Co., presented testimony of a technical nature supporting the Bell System position.

Roddewig Sees Strike as Unlikely

AWR President Clair M. Roddewig sees three principal reasons why a strike over the work rules issue isn't likely:

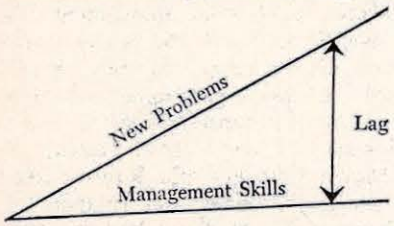
- Procedures under the Railway Labor Act are designed to "bring about peaceful settlements rather than strife."
- "Congress probably would take action to avert a protracted nation-wide tieup of the railroads."
- "More important than either of these, I think the common interest that railroad managements and railroad unions have in rehabilitating the railroad industry; in making it competitive with other forms of transportation, price-wise and service-wise; in making the railroad industry a safe and profitable investment for capital—these are the considerations, I am confident, that will be the dominant factors eventually in leading railroad management and labor to a mutually beneficial agreement."

AWR's president said "there has been no serious effort on the part of the unions to deny that the work practices about which the railroads complain do exist. Rather, the unions have undertaken to explain to the public how the advantages the employees enjoy under existing rules are offset . . . by other working conditions which they say are to the disadvantage of the employees."

Mr. Roddewig pointed out that the railroads are fully aware of the "human" problems involved in certain of the work rules proposals. On the fireman-off question, he said, the industry has notified the BLF&E that it stands ready to give full consideration to such problems and invites union proposals aimed at minimizing the impact of removing the firemen from freight and yard service. The same problem, he added, "was solved in Canada by the railroads and the union agreeing to the attrition method. The firemen in Canada are represented by the same union which represents the firemen in the United States."

Railroading After Hours with Jim Lyne

'MANAGERIAL LAG'—I heard an instructive talk at an American Management Association meeting by Ed Green of Westinghouse Air Brake who boiled down the problem facing all management these days in a simple chart, reproduced here. Technology is going forward under its own steam so fast that controlling the technology so that it produces maximum benefits for the people and the country becomes an ever harder job. Advancing management's mastery of the job strikes Lecturer Green as one of the biggest challenges facing the country. (By the term management he doesn't mean only that of business, but of all enterprises—government, education, unions, and all other organized effort.)



EFFICIENT MANAGERS—Speaking of management, I was talking to a fellow who recently entered railroading after working for a couple of the nation's best known and most successful industrial managers. This new railroader tells me that what he's observed in his new job convinces him that the quality of management there is fully as outstanding as anything he observed in his previous connections.

This confirms a strong suspicion I've long entertained, namely that railroad management is often criticized unjustly; and that management quality on the railroads is as good as, or better than, that in industry generally. Managing a railroad under present conditions just happens to be a far tougher job than managing any other business.

SAFETY PAYS—A friend of mine, who follows safety figures with unusual persistence, makes this challenging observation: "The cost of injuries to persons on the Union Pacific, the Chesapeake & Ohio, the Great Northern and the Northern Pacific has consistently been more than $1 million less than such expense would have been if it had been relatively equal (i.e., in proportion to 'exposure') to that of the average railroad."

I haven't checked the figures myself—to see whether there may be other railroads about which similar satisfying statements might be made. But, anyhow, the point is that getting a high ratio of safety is not only a praiseworthy humanitarian endeavor, but sound economics too.

RAILROADERS AS LADIES' MEN—Speaking to a Signal Section AAR meeting recently, Vice-President F. S. Worthington of the Southern said his audience did not resemble the Blue Ridge mountain girls' characterization of their clan —which was: "telewire twisters with big watch chains and flat pocketbooks."

This reminds me of a railroader years ago who boasted of having a girl in every town on his route. "I always get off the train," he said, "with my grip in one hand and a bouquet in the other."

CHANNEL FOR TRAFFIC—Mr. Worthington made what strikes me as a memorable observation in the course of his speech. Discussing the magnitude of governmental help to the railroads' rivals, he bore down on the need for improving railroad service and reducing its cost. "If you dig a ditch properly," he said, "water will run in it."

MELONS ON FLAT CARS—No answers yet to my query about whether watermelons are still shipped in stock cars—but I have photographic evidence on a T&P postcard which shows a Texas watermelon fully occupying a flat car. Accompanying text is apologetic, explaining that it usually takes two or three flat cars to handle one Texas melon, but dry weather has stunted these melons recently, so one car per melon will do the job.

ACF to Sell Clark Trailers to RRs

American Car & Foundry division of ACF Industries, Inc., has reached an agreement with the Brown Trailer division of Clark Equipment Co. to market Brown trailers to the railroad industry. Brown will continue to handle sales of its products to the trucking industry and to shippers. H. H. Rogge, president of the ACF division, said the agreement is "another step in our long-term program to market a complete line of equipment for coordinated transportation." Noting that the railroads now own 26,000 highway trailers, John R. Wood, Jr., vice president of Clark and general manager of the Brown Trailer division, predicted the figure would increase steadily as piggyback continues to grow. Pictured inspecting a Brown trailer on an ACF-built flat car are, left to right, George Spatta, president, Clark Equipment Co.; William T. Taylor, chairman, ACF Industries, Inc.; and Mr. Rogge.

New Lubricating Oils Tested

Tests of three new available lubricating oils with different base stocks and additive changes were described by C.P. Turner, chairman of the committee on new maintenance developments, Locomotive Maintenance Officers' Association, at a recent meeting of the New York Railroad Club.

Mr. Turner, who is supervisor of locomotive maintenance, Lehigh Valley, said the tests produced results that indicate the following advantages:

1) Extension of engine shopping periods because of decreased wear rates.

2) Longer periods between oil and filter changes.

3) Improvement in engine cleanliness.

4) Better chances for successful usage of so-called "economy" fuels.

He pointed out that while these oils were developed for the more recent high-horsepower diesel engines, they are also of benefit to all diesel engines.

Mr. Turner told of these other committee activities:

- A modified EMD unit injector with a differential needle valve (RA, May 11, 1959, p. 62), in tests, demonstrated several advantages. Fuel consumption was decreased 10% at idle, 4% at full load. Thermal efficiency was increased by 1.8%. Stack conditions were improved with sparking and smoking eliminated. Firing pressure variations from the average were reduced 15%. Engine smoothness was increased. The modified injector also produced improved combustion of very low cetane fuels because of better atomization.

- Application of 6½ in. by 12 in. heavy-duty AP freight-car roller-bearings to diesel switchers (RA, Feb. 1, p. 24) has been recommended by the committee for consideration. An important advantage is that axles worn almost to condemning limit, if not defective, can be re-machined to take these bearings. Cost of material to equip an ordinary 124-ton four-axle switcher with 6½ in. by 12 in. journals was placed at about $1,770. This is 45% of the cost of roller bearings designed for road service.

- Cast-iron pistons to replace aluminum pistons in Alco 244 engines was endorsed by the committee. This change results in greater service life and reduces failures that damage other components. One manufacturer has supplied over 1,800 cast-iron pistons to over 24 railroads, some of which have reported service of more than 225,000 miles. Several roads have made cast-iron pistons standard equipment in their Alco 244 engines.

Other suppliers, including Alco Products, Inc., are developing cast-iron pistons and are now conducting field tests. After more than three years' experience with cast-iron pistons, no adverse effect of the increased weight (as much as 14 lb) has been reported.

New Indian Locomotive Has 'Original' Power Transmission

Seven prototype units of a new diesel locomotive using an original method of power transmission are on order for Indian Railways for delivery later this year, according to the Indian Ministry of Railways. The announcement did not specify details of the power transmission system, except to say that it should increase operational efficiency and reduce fuel consumption.

However, a commercial attache of the Indian Embassy told Railway Age that the Suri transmission (named for its inventor, M. M. Suri) had two major advantages: manufacturing costs would be lower than for conventional methods of using diesel power and operating costs would be considerably lower. On the second point, he commented that, for average Indian locomotive utilization, the new transmission would save $3,360 a year in fuel.

The seven prototype locomotives will be built by MAK (Maschinenbau Kiel) in West Germany, which has been granted world-wide manufacturing rights. These will be 2,000-hp units, although the transmission is also applicable in the 3,000 and 4,000-hp range.

Patent rights, according to the Railway Ministry announcement, have been granted in five countries: West Germany, Great Britain, Italy, France, and Czechoslovakia. Patent applications are pending in the U. S., Japan, Poland, Brazil, Canada, and Australia.

India plans to manufacture locomotives using the new process herself in the future, but detailed plans for production have not yet gone into effect.

MARKET OUTLOOK *at a glance*

Carloadings Rise 0.3% Above Previous Week's

Loadings of revenue freight in the week ended May 14 totaled 639,954 cars, the Association of American Railroads announced on May 19. This was an increase of 1,749 cars, or 0.3%, compared with the previous week; a decrease of 53,042 cars, or 7.7%, compared with the corresponding week last year; and an increase of 78,914 cars, or 1.4%, compared with the equivalent 1958 week.

Loadings of revenue freight for the week ended May 7 totaled 641,703 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, May 7

District	1960	1959	1958
Eastern	93,417	102,420	81,293
Allegheny	114,096	125,851	89,316
Pocahontas	55,287	55,313	40,330
Southern	119,191	120,798	104,183
Northwestern	102,470	104,527	68,636
Central Western	109,021	117,207	105,865
Southwestern	48,221	52,044	45,956
Total Western Districts	259,712	273,778	220,457
Total All Roads	641,703	678,160	535,579
Commodities:			
Grain and grain products	42,667	46,743	45,824
Livestock	5,309	6,129	5,651
Coal	106,632	109,199	87,608
Coke	8,557	10,839	5,299
Forest Products	39,828	41,050	34,705
Ore	70,884	69,270	22,861
Merchandise l.c.l.	37,168	42,146	45,294
Miscellaneous	330,658	352,784	288,337
May 7	641,703	678,160	535,579
April 30	643,271	676,194	533,205
April 23	625,374	649,319	533,851
April 16	622,635	634,848	534,507
April 9	598,384	619,268	521,160
Cumulative total, 18 weeks	10,708,963	10,815,542	9,679,326

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended May 7 totaled 10,807 cars, compared with 8,466 for the corresponding 1959 week. Loadings for 1960 up to May 7 totaled 187,879 cars, compared with 133,781 for the corresponding period of 1959.

IN CANADA.—Carloadings for the seven-day period ended May 7 totaled 76,165 cars, compared with 90,056 for the previous nine-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
May 7, 1960	76,165	27,981
May 7, 1959	75,395	27,925
Cumulative Totals		
May 7, 1959	1,201,731	532,615
May 7, 1959	1,211,656	505,267

New Equipment

FREIGHT-TRAIN CARS

► *Union Tank Car.*—Placed orders with Whiting, Ind., company shops for 55 tank cars. The order includes 15 type 105A, 26 type 111A, 12 type 112A and 2 type 204W—all of "Hot Dog" design.

LOCOMOTIVES

► *Union Pacific.*—Ordered 30 2,000-hp GP20 road switchers from Electro-Motive Division at a cost in excess of $6,000,000. Deliveries are scheduled for July and August.

Orders and Deliveries

► *Orders Increase.*—Orders were placed in April 1960 for 5,551 freight cars, compared with 1,959 in March. April 1959 orders totaled 3,736. Deliveries in April totaled 5,579, compared with 5,950 in March and 3,741 in April 1959. The backlog of cars on order and undelivered as of May 1 was 41,003, compared with 42,131 on April 1 and 35,479 a year ago.

Type	Ordered April 1960	Delivered April 1960	Undelivered May 1, 1960
Box—Plain	1,833	1,214	11,519
Box—Auto	0	0	500
Flat	915	1,381	2,821
Gondola	1,000	458	4,993
Hopper	400	1,742	14,123
Covered Hopper	254	191	1,365
Refrigerator	800	316	4,225
Tank	314	254	948
Caboose	5	15	181
Other	30	8	328
Total	5,551	5,579	41,003
Car Builders	4,546	4,210	20,282
Railroad Shops	1,005	1,369	20,721

Purchases & Inventories

► *Two Months' Purchases Up 7.6%.*—Purchases by domestic railroads of fuel, material and supplies in this year's first two months were $17,567,000, or 7.6%, higher than in the comparable 1959 period. Purchase and inventory estimates in following tables were prepared by Railway Age.

PURCHASES*	February 1960	Two Months 1960	Two Months 1959
	(000)	(000)	(000)
Rail	$ 7,480	$ 15,223	$ 13,072
Crossties	5,138	9,947	8,301
Other Material	81,819	160,297	135,662
Fuel	30,217	62,617	73,482
Total	$124,654	$248,084	$230,517

*Subject to revision.

INVENTORIES* †	Feb. 1, 1960	Feb. 1, 1959
	(000)	(000)
Rail	$ 47,497	$ 54,178
Crossties	71,305	85,025
Other Material	401,213	403,301
Scrap	25,864	26,237
Fuel	21,994	24,483
Total	$567,873	$593,224

*Subject to revision.
†All total inventory figures taken from ICC statement M-125 for months indicated.

a RAILWAY AGE time-saver page

Trucker Buy a Railroad? Why Not?

Rock Island President Downing B. Jenks, an outspoken advocate of rail-truck coordination, said last week that he'd like to see "a merger between railroads and truck lines."

"I've always wondered," he told a surface transportation forum at the annual convention of the National Federation of Financial Analysts Societies in New York, "why truck lines don't buy a railroad. I know that it's been talked about but nothing came of it. . . . Is it because if they buy a railroad they couldn't buy any more truck lines? Truck lines, of course, can buy railroads but railroads can't buy truck lines."

Mr. Jenks directed his question to a fellow panel member, Thomas Pinkney, vice president of the Ryder System and former general counsel of the American Trucking Associations. Mr. Pinkney promised lightly to "take it up with Mr. Ryder."

The Rock Island president made his point during a discussion of "The New Era of Cooperation." Although he found much to be said for voluntary coordination between railroads and motor carriers, he defended the railroads' efforts to diversify through "common ownership."

Mr. Jenks outlined what he thinks would be the "ideal setup" for transportation coordination: "Gather freight by truck to central points, about 200 or 300 miles apart, then move it by rail for the long haul."

Asked later if he would accomplish this through "diversification" (common ownership) or through voluntary coordination, Mr. Jenks remarked: "I'd rather have it under diversification but if we can't beat 'em we'd better join 'em."

Earlier, he made it clear that, so far, the voluntary plan hasn't worked too well for the Rock Island.

He noted that the railroad has joint-rate agreements with a number of motor carriers—but last year, he said, the road carried only 34 trailerloads under the joint-rate plan. Conceding that the initial results have been "disappointing," Mr. Jenks said Rock Island nonetheless "expects and intends" to enter into additional agreements with truckers.

But this, he said, is only "a stop-gap—not a solution" to the coordination problem. And piggyback as a whole, he said, is only a "partial answer" since it accounts for only about 1½% of the railroads' total traffic.

The ultimate answer, in his view, is short haul by truck, long haul by rail. As it now stands, he said, the average haul of truckers in Rock Island territory is 650 miles, while the railroad's average haul is 330 miles.

Mr. Pinkney, speaking for the truckers, agreed on the need for more rail-truck cooperation. He described the "constant feuding" of trucks and rails as "wasteful."

He suggested that "with the exception of the Rock Island, and maybe one or two other railroads," the primary effort of the railroads as far as coordination is concerned is "to parallel rail lines with captive truck lines." Railroads, he said, are profoundly afraid of invading each other's territory.

Editors Afield

NEW ORLEANS, LA.

"Most valuable thing in the United States today is space" . . . and one good way to conserve it is "to replan our growing cities for public transport."

Those concurring statements, made to the American Railway Development Association here by two non-railroad speakers, may bring some small comfort to those who doubt the wisdom of burying billions of tax dollars and millions of valuable acres under the spreading tentacles of the concrete octopus.

Space conservation advocate was O. V. Wells, administrator, Agricultural Marketing Service, U. S. Department of Agriculture. That he put highways high on the list of space-wasters was clearly implied by his subsequent statement: "We may have from 250 to 400 million people by the year 2000. When you see how crowded we are now, after a couple of bad years in the auto business, where are we going to be then, if we have 40 good years?"

Urban replanner was J. R. Downs, board chairman, Real Estate Research Corp., Chicago, who said:

- "The U.S. has changed from an agricultural to an urban and industrial economy. From 1950 to 1956, 96% of our growth was in 68 metropolitan areas. From 1956 to 1965, 105% of our growth will be in 70 such areas. The rest of the country is decreasing in population. We are witnessing the death of small towns and the growth of regional cities.
- "People in those regional cities want to live in densities of one to five families per acre. This has killed public transport, because public transport can't live on that population density without gathering points—which we're not yet prepared to supply.
- "People just can't go on out and out. Los Angeles has already carried that trend to the point of absurdity.
- "We're likely to see a period of recentralization, where more high income families will live closer to city centers—in better locations with respect to their work.
- "This 'revival of downtown' will make railroad-owned central city property far more valuable. Railroads, in fact, may find their urban land-holdings a possible avenue to financial security. But they must analyze those holdings from the viewpoint of their best use—not necessarily for railroad purposes.
- "Meantime, our planning of tomorrow's cities is being done on the basis of yesterday's needs. Our highway network, for example, is predicated on big roads for big cars—even as the 'compacts' are rapidly taking over the market. Every time the gas tax goes up, the 'compacts' get another boost.
- "We need to replan our cities for public transport."

New Orleans itself presents what looks to the casual visitor like some pretty intelligent past, present and future planning—including its handsome, centrally located, publicly financed union station. J. E. Fitzmorris, city councilman and Kansas City Southern general passenger agent, explained briefly to the development men what the city tries to do. "Our philosophy here is that we must work hand in hand with private enterprise—especially with transportation. We know we can't over-regulate. But we try to maintain a political climate conducive to good business."

—Gardner C. Hudson

People in the News

BRITISH COLUMBIA ELECTRIC.—Stewart Peach, assistant freight traffic manager, appointed freight traffic manager, Vancouver, B.C., to succeed **Walter J. Marshall,** retired.

CANADIAN NATIONAL.—Pierre Delagrave, special assistant to vice president—traffic, promoted to general passenger traffic manager, Montreal, succeeding the late **John T. Whiteford** (RA, March 21, p. 36).

W. A. Brown, administrative assistant to the regional auditor, appointed regional auditor, western region, Winnipeg, Man.

Hugh Marquis, superintendent communications, Moncton, N.B., has retired.

Lester L. Atkinson, assistant research engineer, Montreal, has been appointed the first analytical services officer of the CNR's Atlantic region at Moncton. Mr. Atkinson will head a new grouping of certain branches of the department of research and development which has been reorganized and transferred from Montreal to Moncton. The new branch will tie together such aspects of modern railroading as engineering economics, transport research, costing and statistics.

Cyril D. James appointed manager, department of colonization and agriculture, Montreal, succeeding **J. S. McGowan,** retired.

CANADIAN PACIFIC.—D. W. Alexander appointed assistant superintendent, Smiths Falls Division, at Smiths Falls, Ont., succeeding **E. L. Guertin,** transferred to Ottawa, Ont., to replace **G. D. Pogue.**

G. J. van den Berg appointed manager, pension fund, Montreal.

A. G. Connolly appointed chief of division bureau, Atlantic and Eastern regions, Montreal, succeeding **J. D. Thomson,** who retires May 31.

DELAWARE & HUDSON.—A. E. Duprey, commercial agent, Boston, Mass., appointed general agent, freight department, San Francisco, Cal.

FRISCO.—Harry E. Harty, chief clerk to the vice president-traffic, appointed district manager-sales, East St. Louis, Ill.

GREAT NORTHERN.—P. T. Rudlang appointed assistant to general manager, Lines West, Seattle, Wash., to replace **D. L. Manion,** elected vice president-operation, American Short Line Railroad Association (RA, May 9, p. 26).

J. W. Wicks, rules examiner, Spokane, Wash., named trainmaster, Interbay, Wash.

INTERSTATE.—Henry L. Stuart, Jr., assistant to president, elected vice president, Andover, Va. **Thomas E. Gurley,** assistant to vice president, appointed assistant to president.

JERSEY CENTRAL—READING.—Abolished position of superintendent dining cars. Dining car service will be under jurisdiction of the general passenger agent, Reading, Philadelphia, and the passenger traffic manager, CNJ, Jersey City.

KENTUCKY & INDIANA TERMINAL.—Joseph J. Gaynor, general industrial agent, Louisville, Ky., elected vice president-industrial development.

MISSOURI-KANSAS-TEXAS.—Regis C. Blutas, sales representative, Pittsburgh, appointed to the newly created position of regional sales manager, St. Louis.

NORTHERN PACIFIC.—T. M. Gordon, traveling freight and passenger agent, Portland, Me., named assistant general freight agent, St. Paul. **H. P. Wohld,** traveling freight and passenger agent, Tacoma, Wash., appointed district freight and passenger agent, Pasco, Wash., succeeding the late **A. R. Johnson.**

PENNSYLVANIA.—George H. West, district sales manager, Jacksonville, Fla., retires June 1.

PITTSBURGH & WEST VIRGINIA.—D. Paul Crane, assistant supervisor communications and signals, Pittsburgh district "B" **Pennsylvania** at Carnegie, Pa., appointed supervisor of communications and signals, P&WV, Pittsburgh, Pa., succeeding **Joseph A. Quinlan,** retired.

SEABOARD.—B. C. High, assistant superintendent, Savannah, promoted to superintendent, South Florida division, Tampa, succeeding **R. L. Mott,** who has been named manager of trailer-on-flatcar traffic at Richmond (RA, May 16, p. 72).

SOUTHERN.—G. William Edler, Jr., general industrial agent, Washington, D.C., has moved his headquarters to Louisville, Ky.

WABASH.—G. F. Harrigan, freight traffic manager, appointed general traffic manager in charge of sales for the system. **E. J. Rohlfing,** assistant passenger traffic manager, named passenger sales manager, and **G. M. Irvin** appointed assistant passenger sales manager. **V. G. Berdolt** appointed eastern traffic manager, New York; **D. C. Pate,** southeastern traffic manager, Cincinnati; **E. C. Perkins,** northeastern traffic manager, Detroit; **W. J. Heerman,** northwestern traffic manager, Chicago; **Richard M. Roth,** traffic manager, Chicago; **R. F. Stapleton,** traffic manager, St. Louis; **C. W. Carter,** central traffic manager, St. Louis; **P. L. Johnson,** southwestern traffic manager, Houston; **R. B. East,** western traffic manager, San Francisco. **W. G. Duchek,** general merchandise agent, appointed manager trailer train service.

Supply Trade

William F. Bartholomae, Jr. has joined the **Youngstown Steel Car Corp.** of Niles, Ohio, as manager of railroad sales, western division, at 140 S. Dearborn Street, Chicago. Mr. Batholomae was formerly associated with the Union Asbestos & Rubber Co., Chicago.

Glenn R. Petersen has been named manager of marketing, **General Electric Co.,** Lynchburg, Va., succeeding **Lacy W. Goostree, Jr.,** who has joined the GE computer department at Phoenix, Ariz.

Donald Jensen, public relations and advertising manager of ACF Industries, Inc., has been appointed to the public relations committee of the **American Railway Car Institute.** Other members of the committee are **R. L. Duchossois,** president, Thrall Car Manufacturing Co.; **F. J. Schroeder,** vice president, Magor Car Corp., and **E. P. Calvert,** director of public relations, Pullman-Standard.

George R. Goss, master mechanic, **Electro-Motive Division of General Motors Corp.,** La-Grange, Ill., has been appointed special assistant to the works manager. **George Bursa,** assistant master mechanic, succeeds Mr. Goss. **Roy T. Schmidt,** supervisor of the parts warehouse office, St. Paul, Minn., has been appointed manager, parts warehouse, to replace **John W. Kelly,** resigned.

Pierre Delagrave
CNR

W. F. Bartholomae, Jr.
Youngstown

Calvin E. Smith has been appointed a district sales manager for the Railroad Products division of **American Brake Shoe Co.** in the southwest area, with headquarters at Houston, Tex. Mr. Smith was formerly sales representative for the division.

Carl V. Segelstrom has been named district manager for the New England area by **Servo Corp. of America.**

Frank B. Graper, manager of industrial account sales, **Standard Equipment Division, Dana Corp.,** has been appointed assistant general manager. **Frank A. Saltzgiver,** manager of distributor sales, named manager of operations and distributor sales.

Amos A. Berkley, treasurer, **North American Car Corp.,** has been elected vice president and treasurer. **Leslie I. Varner,** Southwestern district manager, elected vice president.

Edwin J. Klein has been promoted to railway service engineer of the **Hyatt Bearings Division, General Motors Corp.,** in the Chicago and midwest territory.

R. C. Dunn, manager, power apparatus sales, **Graybar Electric Co.,** New York, has been appointed manager, outside construction sales, succeeding **L. W. Taylor,** who retires June 1. **R. B. Buffinton,** branch manager at Providence, R.I., succeeds Mr. Dunn.

OBITUARY

Arthur U. Klingman, 80, manager of railroad sales for the **Lamson & Sessions Co.,** died April 30 in St. Vincent Charity Hospital, Cleveland, Ohio.

Dividends Declared

CHESAPEAKE & OHIO.—common, $1, quarterly, payable June 20 to holders of record June 1; 3½% preferred, 87½¢, quarterly, payable Aug. 1 to holders of record July 7.

CHICAGO, BURLINGTON & QUINCY.—$2, payable June 17 to holders of record June 3.

CHICAGO, ROCK ISLAND & PACIFIC.—40¢, quarterly, payable June 30 to holders of record June 17.

DELAWARE & BOUND BROOK.—50¢, quarterly, paid May 20 to holders of record May 13.

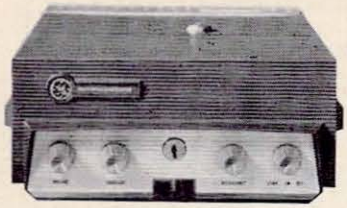
GULF, MOBILE & OHIO.—common, 50¢, payable June 13 to holders of record May 23; $5 preferred, $1.25, quarterly, payable Dec. 19 to holders of record Nov. 25.

LAKE SUPERIOR & ISHPEMING.—40¢, quarterly, payable June 15 to holders of record June 1.

MAINE CENTRAL.—5% preferred, $1.25, accumulation, payable June 1 to holders of record May 16.

MISSOURI PACIFIC.—Class A common, 60¢, quarterly, payable July 1 to holders of record June 17.

NEW! G-E PORTABLE 2-WAY RADIOS ...from Graybar



General Electric Progress Line
MOBILE 2-WAY RADIO

General Electric Progress Line
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BLE Arbitration Award May Come by June 1

Industry sources were predicting last week that an arbitration award in the BLE wage case will come by June 1 with an emergency board recommendation in the non-ops wage-benefit case following about a week later.

Closing arguments in the Engineers case were scheduled for Monday, May 23, following rebuttal testimony last Wednesday and Thursday. Then the six-man board will go into executive session to prepare its award.

Meanwhile, the carriers and the non-ops agreed to an extension (until June 10) of the period in which an emergency board must complete hearings and submit its recommendations. The board will meet through this week with final arguments slated for Saturday, May 28.

As the two national wage disputes moved closer to decision, there were these other developments:

- An emergency board upheld the Long Island in a dispute with the BRT over adjustments of schedules and work assignments. The board approved carrier demands that it be given sole prerogative in scheduling and noted that "this demand . . . goes to a very basic principle—its right to operate its business and direct its working force efficiently. It also involves its right to utilize the services of employees during hours paid for by the carrier but which are now nonproductive." The board said that granting of union demands, which were independent of national negotiations, would damage the industry-wide wage relationship that has prevailed since 1937. The union had asked, among other things, for reduction of the six-day week to five days for passenger service trainmen, without pay reduction.

- Transport Workers Union members walked out at various points on the Pennsylvania, including Conway Yard and the Altoona-Hollidaysburg shops. The railroad, terming the action a "direct violation of a written agreement between the company and the union," got a blanket restraining order in federal district court in Philadelphia late last Wednesday to halt the spreading work stoppage. The TWU action was not connected with a scheduled June 6 system strike—which now may not come off, since the National Mediation Board has certified the dispute to the President and an emergency board will probably be created to investigate the issues.

- The carriers and the SUNA were awaiting creation of an emergency board to investigate and make recommendations on their national wage dispute.

GN Revamps Passenger Service

► **The Story at a Glance: The most extensive revision of passenger operations in Great Northern's history was scheduled to go into effect Sunday, May 22. Changes involve 14 trains, in a system-wide rearrangement of schedules and routings. Only the "Empire Builder," among GN's crack mainline trains, remains unaffected.**

More than a year's study and planning have been translated into actual operations with Great Northern's reshuffling of its passenger service.

Objective of the study and resulting changes: To strengthen the road's "total passenger train service to retain patronage of passenger, mail and express traffic in sufficient volume to assure operation for the longest possible time."

Schedule and routing changes affect 14 transcontinental and regional trains, including the "Western Star," which is now being operated over a shorter route and makes its St. Paul-Seattle run seven hours faster than it did under former schedules.

With the new routings and schedules in effect, GN's principal passenger operations shape up like this:

- The "Western Star" (renumbered 27-28) has been consolidated with the "Fast Mail" and now operates St. Paul-to-Seattle on a schedule permitting second-evening arrival in Seattle. Eastbound, the train connects with the Burlington's "Afternoon Zephyr" in Minneapolis, thus permitting same-evening arrival in Chicago. Short-line routing of the "Western Star" cuts St. Cloud, Minn.; Grand Forks, N. D.; and Great Falls, Mont., off the schedule. The train now operates via Willmar and Breckinridge, Minn., to Fargo, N. D., and west via Minot, N. D., to Seattle without detouring off the direct route to hit Great Falls.
- Passenger service linking St. Cloud and Grand Forks with Chicago-Twin Cities and the Pacific Northwest is provided by trains 3 and 4. Westbound No. 3 connects with the "Western Star" at Minot; eastbound No. 4 leaves Minot after connecting with the eastbound "Western Star" and makes connections at St. Paul for destinations east and south. Trains 3 and 4 (the former "Western Star" numbers) carry streamlined coaches, a diner-lounge and a mail-baggage car.
- The "Winnipeg Limited" has been rerouted via Fargo and Grand Forks, to provide both cities with their first direct overnight train service to Winnipeg. Northbound No. 7 sets out a sleeping car at Grand Forks; southbound No. 7 picks up the car for return to St. Paul.
- The "Red River," previously operating St. Paul-Grand Forks, has been terminated at Fargo on the north end of its run.
- Trains 345 and 346 have been added to the timetable between Barnesville and Crookston, Minn., to give service formerly provided by the "Winnipeg Limited," before its rerouting via Fargo and Grand Forks.
- Services to Great Falls from both ends of the GN line are provided by western sections of trains 3 and 4, operating Havre-Shelby, Mont., via Great Falls and connecting with mainline trains.

(Passenger train revenues for GN showed a slight increase last year—$20.8 million in 1959 vs $20.1 million in '58—although revenues from passengers carried declined by about $200,000. Recent moves to put the operation on a firmer footing have taken two directions: Elimination of unpatronized services and improvement of services which the public still uses. Seven pairs of trains were discontinued during 1959. At the same time, GN reduced certain fares and cut dining car prices in an effort to attract business to remaining trains. Throughout, GN says, the "Empire Builder" has consistently earned more than out-of-pocket costs.)

'Simplicity in Design' Urged for Containers

"Simplicity in equipment design" is an essential element of any containerization program, an ACF officer told the New England Traffic Club in Boston last week.

"Highly mechanized and specialized equipment increases original investment and maintenance costs which must be reflected in higher freight rates," said John S. Carlson, vice president—sales of the Shippers' Car Line division, ACF Industries, Inc.

"My own recommendations would be that your containers stay within the eight-foot width and the eight-foot, six-inch height limit, and that they be built in modules enabling shipments on the 85-ft flat car."

Mr. Carlson said containerization means that "the shipper can expect a reduction in his physical distribution costs; significant increases in the speed of movement; reductions in damage and pilferage, resulting in better customer relations; lower packaging costs; lower inventory investment; and a reduction in materials handling costs in both his own and customers' plants."

For carriers, said Mr. Carlson, containerization means greater utilization of equipment through faster transit, loading and unloading times.

LPG: Diesel Fuel of the Future?

Propane may be used in the future as a diesel locomotive fuel. Tests conducted by the Southwest Research Institute, San Antonio, Tex., for the Southern Pacific indicate that use of liquefied petroleum gases is technically feasible. Propane costs about half the price of diesel fuel and is abundant in certain areas, especially Texas and Louisiana, according to the SWRI.

Propane would be used in EMD units equipped with a dual fuel system. In a test run injecting liquid propane and igniting by a pilot charge of diesel fuel, an engine developed approximately 90% brake mean effective pressure. To reduce knock-limiting tendencies of the fuel, the compression ratio was reduced to 15:1 by installing special pistons. Special injection equipment was also used.

Before propane gas can be used, more development work is needed on the injection system, says SWRI. The institute also points out that safety regulations are an important factor. Crews would have to be trained to handle propane. And safety regulations of some states, cities and counties would have to be changed.

You Ought To Know...

Northern Pacific has joined Trailer Train—and indications are that Great Northern is about to make the same move. NP said it plans to use TTX equipment for all types of piggyback, but especially for TOFC shipment of new automobiles. GN President John M. Budd told stockholders his road is also looking for substantial increases in new-car piggyback and expects to become a Trailer Train member (RA, April 25, p. 7).

Development Loan Fund from 1958 through last month, had approved loans totaling $141,250,000 for railroad rehabilitation and improvements in eight countries of Europe, Africa, and Asia. Railroad figures appeared in a list of all DLF loans read into the Congressional Record by Senator Ernest Gruening of Alaska.

Twenty-five railroad employees were killed on duty and 1,328 injured in March 1960, compared with the same number of deaths and 1,069 injuries in March 1959. Thirteen passengers were killed and 162 injured in train and train-service accidents in March 1960, compared with two killed and 100 injured in March 1959.

Airlines have taken "all the passengers they will get from railroads and buses," in the opinion of CAB member Alan S. Boyd. Says Mr. Boyd: "Rail and bus passengers today either want to use those modes of transportation or cannot reach their destinations by commercial air carriers. While it may be possible with new equipment and new services to persuade some present air travelers to use planes more than at present, I can see only one significant area in which additional passenger traffic can be developed. This is among the millions who now travel by private automobile."

A new twist on the old "four horsemen" bit has been applied to the railroad problem by Wabash Chairman A. K. Atkinson. His quartet: The "four horsemen of profit eclipse"—inflation, taxation, regulation and featherbedding. Mr. Atkinson told the National Association of Credit Management in St. Louis that the recent Commerce Department transportation study offers "only weak tea in the prescription and an extended period of convalescence." Among his recommendations: Railway rights-of-way should be tax exempt, as are highways, airways and navigable rivers.

"Excessive caution" of economists makes the national business picture seem gloomier than it really is, N&W President Stuart T. Saunders told stockholders in Roanoke, Va. He said 1960 promises to be a good year, with steel production expected to reach 120 million tons compared to last year's 93.4 million and "high levels of production in the automobile and other durable goods industries and record consumer spending."

TOFC revenues of $20 million are anticipated by the Pennsylvania this year. In 1959 PRR's piggyback operations brought in $16 million. David C. Bevan, vice president—finance, says the road experienced a 35% increase in piggyback revenues during this year's first quarter.

St. Louis-Salt Lake City travelers can ride Pullman through the Colorado Rockies at Thrift-T-Sleeper rates this summer. The coach fare plus a nominal Pullman charge is available on MoPac's "Colorado Eagle" to Pueblo or Colorado Springs, and on the Rio Grande between Denver-Pueblo and Salt Lake City.

A rail labor rally in New York heard Rep. Herbert Zelenko (D.-N.Y.), accuse railroad management of "violating" the 1958 Transportation Act by reducing public service and eliminating jobs. Rail workers of 23 job categories had gathered in New York's Manhattan Center to protest management featherbedding charges.

"Red Sticker" service on high-moisture corn is being offered by C&NW as an aid to farmers in Iowa and Minnesota, where wet spring weather has created corn transportation problems. Stickers attached to waybills for corn shipments read "Wet Corn—RUSH to Destination." Operating personnel have been instructed to move carloads of high-moisture corn as perishable freight. North Western says it will adjust train service in either state to meet "any reasonable requirement to move wet corn to market fast."

North Dakota state authorities have approved Great Northern's application to build a 110-mile pipeline to Minot from oil-producing areas in the northern part of the state. Construction is expected to begin later this year (RA, March 28, p. 9).

Money spent by individual state governments for non-highway transportation in 1959 totaled $133,660,000 according to the U.S. Department of Commerce. Of this sum, $89,277,000 was spent for water transport and terminal facilities; $40,639,000 for airports and $3,744,000 for all other transportation excluding highways.

Publicly reported cash dividends paid in the first four months of 1960 by railroad companies are $118,200,000 compared with $138,100,000 for the similar 1959 period. For the nation as a whole, dividends were $4,151,400,000 for this four-month period, 1960, up from $3,870,100,000 for the comparable period of 1959.

Net income of over $4 million is anticipated by the North Western this year. But C&NW chairman Ben W. Heineman last week warned stockholders of a big "if" in the future. He expects 1960 to be the best in a decade "if there is no substantial or retroactive wage increase."

Civil War railroading is featured in a permanent pictorial exhibit newly placed in the National Museum of Transport at St. Louis. The display includes drawings and photographs of rail equipment and facilities of a century ago.

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Sealed tenders, endorsed "Tenders for Rapid Transit Cars for Operation in University & Yonge Street Subways" will be received by the Toronto Transit Commission at its office, 1900 Yonge Street, Toronto, until one o'clock p.m. Eastern Standard Time, on Monday 22nd day of August, 1960.

The work for which such tenders are invited consists of the construction and delivery of 40 to 50 Rapid Transit passenger motor cars (20 to 25 two-car units) for operation in trains of from two to eight cars, as specified in the Contract Documents.

All tenders must be made upon blank forms of tender as furnished by the Toronto Transit Commission and included in the Contract Documents, and shall be made in accordance with the provisions contained in said documents, and must be accompanied by a marked cheque, payable to the Commission, in the amount of $125,000.

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The Contract Documents including specifications, are available to tenderers at the office of the Toronto Transit Commission, 1900 Yonge Street, Toronto.

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The Toronto Transit Commission reserves the right to reject any or all tenders without assigning a reason and does not bind itself to accept the lowest or any tender.

No tender may be withdrawn, after the scheduled closing time for receipt of tenders, for at least forty-five (45) calendar days.

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Grass Roots Interested in Railroads

While official Washington does practically nothing to impede the oppressive political forces which are injuring all railroads, and are steadily suffocating the weaker ones, there is evidence that many people at the grass roots level are growing more and more dissatisfied with the course of events in transportation.

Meeting in Los Angeles a week or so ago the "Western Democratic Conference" was reported in the newspapers as having endorsed a proposal that all transportation be brought under unified regulation and that there be a "tax moratorium" on revenues which railroads put aside for capital improvements. The head of the group (California National Committeeman Paul Ziffren) was reported as saying: "The root of our transportation problem is that we don't have a unified transportation policy."

At the conference of mayors in Chicago on May 12, Senator Paul Douglas added his voice to the growing chorus of independent critics of our policy of excessive development of highways. He found fault with the high-speed expressways being built into cities to enable suburbanites to go into and out of central business districts—without paying adequately for the facilities thus provided for them.

There is not a large city in the country, now, which does not have able and vocal critics of the nation's political program for overdevelopment of highways (together with underpayment by highway users). The profligate national and local programs of excessive highway building have developed opponents among people who have never had any special affection for railroads—such people as city planners, architects, sociologists, and even political "liberals."

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You don't have to love railroads to see that taxing and regulating them out of existence—merely for the purpose of transferring their traffic to far more expensive movement by highway—isn't going to do the country any good. People of "liberal" leanings, also, have enough discernment to see that no railroad company today is a greedy corporate monopoly. The corporations that are rich, and getting richer, through political favoritism, today, are not the railroads.

The highway coterie is obligingly helping to develop critics by its brazen candor in revealing what it is up to. For example, there was a report in the press the other day of a meeting of the National Highway Users Conference—at which there was an expression of dismay at the multiplication of smaller automobiles, which economize on gasoline. The result, it is feared, will be reduced consumption of gasoline and a decline in federal revenues from the automobile fuel tax. This would cut down funds for highway construction.

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Any honest person with a grasp of elementary economics would quickly see that, if smaller cars cut down gas tax revenues, they will also cut down the need for so much heavy-duty highway mileage. But, if you cut down on the tonnage of highway movement and decelerate the construction of highways, the Highway Users group says, you will slow down business in highway construction and transportation.

In other words, the highway faction admits in effect that the purpose of the federal and local road building program is not that of providing more economical transportation for the American people. No, the purpose is to "make work" for the kind of businesses related to highway construction and transportation.

You'd think it would be hard to find a franker case of big business' addiction to the "gimmes." But you can find others easily enough—e.g., the inland waterway carriers who not only insist on the continuance of their toll-free status, but are demanding that the ICC force railroads to hold a rate umbrella over barge carriers' rates.

It is ironical that railroads—having had little or no support from big business in strict adherence by railroads to free enterprise principles—are now getting defenders among the political "liberals."

Railroaders can accelerate the education of independent critics of the nation's misguided transportation promotion policies by supplying factual ammunition and encouragement to these independent critics. Here is a worthy endeavor in which any railroader—management or unionist—or any sincere friend of the railroad industry, can interest himself.

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